

JPRS-NEA-88-013
4 MARCH 1988



**FOREIGN
BROADCAST
INFORMATION
SERVICE**

JPRS Report

Near East & South Asia

Near East & South Asia

JPRS-NEA-88-013

CONTENTS

4 MARCH 1988

INTERNATIONAL

Soviet Ambassador Discusses Diplomatic Initiatives To End Gulf War	1
Iran-Tunisia Contacts Fail To Restore Relations	3

NEAR EAST

REGIONAL

Arab Officials Discuss Prospects for Investments in Egypt	4
Milhim Discusses Gaza Uprising, Calls for Arab Support	6

EGYPT

Commentary Ridicules President Reagan's Policy Toward Palestinians	8
Trade Exchange With Gulf States Discussed	11
People's Assembly Delegate Discusses Islamic Reforms	12
Unrealistic Ideas in Parliament Reviewed	14
Solutions For Unemployment Discussed	14
Religious Groups Prepare For Elections	16
Various Aspects of Domestic Arms Production Reviewed	16
Conflict Between Government and Journalists Analyzed	19
Legal Discussion on Constitutionality of People's Assembly	20

JORDAN

West Bank Exports Cause Jordan-Common Market Conflict	21
---	----

LEBANON

Skyrocketing Inflation Depicts Collapse of Economy	23
--	----

SUDAN

National Parties Vie for Power in Wake of Kurmuk Battle	26
---	----

TUNISIA

Tourism Yields 650 Million Dollars in 1987	29
--	----

SOUTH ASIA

AFGHANISTAN

Anti-Government Forces Reportedly Receive Training in Tehran	30
Thousands Reportedly Die To Break Khowst Siege	30

IRAN

Reconstruction Jihad Official Details Dry Farming Programs	31
Interview With Bank Melli's General Director	34
1988 Budget Bill Presented to Majlis	34
Value Added Tax Bill To Combat Tax Evasions	35
Young Industrial Production Plants Said in Need of Financial Help	36
Official on Pardon of Prisoners, Prison Programs	38
Thousands of Telephone Numbers To Be Issued by Year's End	42

Soviet Ambassador Discusses Diplomatic Initiatives To End Gulf War

44040093 Kuwait AL-QABAS in Arabic 19 Jan 88 p 4

[Interview with Soviet Ambassador to Kuwait Ernest Zverev by Nasir al-Khalidi in Kuwait — date not given]

[Text] Ernest Zverev, the Soviet Ambassador to Kuwait, has asserted that his country is earnestly endeavoring to end the Gulf war, an endeavor that was translated into participation by Moscow in formulating Security Council resolution 598 which calls for ceasing the war by peaceful means. He said that only adopting a resolution to end the war is not enough unless it is coupled with effective and practical means to implement this resolution.

The Soviet ambassador described the Gulf war as a serious matter threatening the security and stability of the region. In an exclusive interview with AL-QABAS he said that this war is exhausting resources and capabilities and that its harmful losses are affecting everybody. Even the Soviet Union was compelled to withdraw about 1,000 advisers who were working in Iraq and Iran, thereby causing a loss to everybody. He said that his country is prepared to resume economic cooperation with Iran and Iraq as soon as the war stops and that there are ample opportunities before the three parties to develop such cooperation.

The ambassador renewed the call for setting up an international fleet under the UN flag to protect shipping in the Gulf and for the withdrawal of all foreign fleets in Gulf waters, including Soviet ships.

The Soviet ambassador said that his country is going ahead with normalizing its relations with Iran, but he pointed out that the volume of trade between the two countries at present is less than what it used to be during the Shah's days because of the war.

Ambassador Zverev hailed the uprising in the occupied territories, saying that the "rocks revolution" is a sign of Israeli failure to contain and break the Palestinian will to achieve the right to self-determination and to establish an independent state. He said that the Soviet Union stands with the Palestinian people's just cause and condemns all Israeli methods of repression. He praised the outcome of the Amman Summit, saying that the summit resolutions have strengthened the ties of Arab unity and cohesion with regard to finding just solutions for the Middle East issues, foremost of which is the Palestinian issue.

Ambassador Zverev said that withdrawal of the Soviet forces from Afghanistan is a matter relating to foreign interference in Afghanistan's internal affairs. He said that there are international forces that are interested in maintaining the present situation in order to exhaust Moscow.

The Soviet ambassador stressed that his country is committed to supplying Syria with arms in order to strengthen its defensive and offensive capabilities on the grounds that it is a confrontation state with Israel. The following is text of the interview:

[Question] Iran has categorically rejected UN resolution 598 and Moscow signalled several times that there is need for measures to implement the resolution. Are you now convinced of the need to adopt an international resolution to penalize the party rejecting the resolution?

[Answer] It is known that the Soviet Union has effectively and actively participated in the adoption of resolution 598 at the United Nations. For many reasons we regard this resolution an important document. The first being that reaching this resolution was a confirmation of the importance of a unanimous resolution. We believe that this resolution contains several important points that provide ample opportunities for settling the current war peacefully. We also believe that the resolution has not yet been exploited fully. I would like to point to the identical views shared between the Soviet Union and Kuwait with regard to the resolution. We believe that agreement to implement the resolution by one party to the conflict, namely Iraq, and Iran's rejection to do so will not go on forever because continuation of the status quo would prompt members of the Security Council to adopt what is known as the second resolution on the situation in the Gulf. As Soviet UN envoy Mr (Belonosov) declared, he has directives and guidance from the Soviet government to participate in drafting such resolution. The second resolution could provide for sanctions and embargo on arms shipments to the party rejecting resolution 598. We are prepared to adopt the second resolution if all its points are acceptable to both sides.

[Question] We believe that a second resolution would be on the one hand a justification for Iran to indulge in its aggression and on the other hand a chance for you to please Iran, especially since Moscow at the beginning endorsed the first resolution which was characterized with fairness regarding this issue. Is the second resolution a screen to cover the Security Council's failure to put pressure on Iran?

[Answer] Our position in principal toward resolution 598 is that it has not yet been exploited fully. The second resolution is stronger than the first one and provides for sanctions against the party rejecting the first resolution. The Soviet Union takes this view into consideration and had more than once offered to take part in drafting the articles of the second resolution. But I personally have certain reservations, since numerous times I have put the question to some Kuwaiti diplomats and personalities regarding their belief in whether the two parties would accept this resolution and whether the war would end if it were implemented. The answer was definitely in the negative. We fully realize that adopting a resolution is not enough. Rather the importance lies in finding other

effective and practical means to implement this resolution. Some of the Gulf and Arab circles accuse us of being afraid of the imposition of sanctions, but in fact during the past 7 and a half years we have been enforcing a real embargo and we did not sell Iran a single weapon. We are prepared to implement and achieve the resolution on sanctions and embargo, but what is more difficult here is to make the American and Israeli companies and certain Western and Arab countries stop supplying Iran with arms and to force them to stop selling her arms.

[Question] Moscow is being accused of benefitting from the continuation of war in order to strengthen its ties with Iran on one hand and hurt the interests of the Western camp on the other.

[Answer] We have vital interests and we are sincere in our efforts since we are doing our utmost to end the war. We have declared this stand since the first days of the war. Up to now we are reiterating to the Iraqis and the Iranians the need to end the war by peaceful means. So why these accusations and these stands against us? We wish to establish peace in the region and I must point to the Soviet Union's efforts to coexist peacefully with peoples and to [it's belief] that an increase in tension as a result of the Iraq-Iran war could lead to heating up the situation in the region and to an expansion of the war. We are concerned because of the Western naval military presence in the region and the stationing of international forces in Gulf waters, especially since we know that the U.S. fleet consists of more ships than is needed to protect tankers and shipping. This is in addition to our concern over the existence of some Western ships in the Gulf allied with the United States. We believe that the presence of these fleets disturbs the balance of power in the region and could lead to unexpected eventualities. We also have economic interests in stopping this war. There used to be a large number of Soviet advisers working in Iran and Iraq; there were about 1,000 advisers. Cooperation between us and these two countries was mutual. In view of the war we withdrew our advisers, which was a major loss both for us and for them. We are prepared to resume this economic cooperation with Iran and Iraq as soon as the war stops. There are ample opportunities for developing this cooperation.

[Question] There is yet another accusation, namely that Moscow's rejection of the embargo on arms in the first UN resolution was a matter of establishing a presence for itself because of its desire to play a major role in this matter.

[Answer] There is no foundation to such allegation and the U.S. military presence in the region cannot even be compared with that of the Soviet Union. The number of U.S. naval units has exceeded 30-40 units in addition to fighter aircraft. U.S. allies have a similar number of ships while Soviet presence does not exceed 5 or 6 ships whose task is limited, which is to protect Kuwaiti oil carried on Soviet tankers. Therefore, we cannot be compared with the Americans and their allies. We have proposed the

withdrawal of all foreign ships from Gulf waters, including Soviet ships. When the West accepts this proposal we are ready to withdraw our ships from the region. We have also proposed the formation of an international fleet under UN command in order to provide protection in the Gulf waters and insure freedom of navigation in addition to other tasks. This proposal won the vote of many countries because of everyone's desire for the withdrawal of all foreign fleets in order to avert future dangers.

[Question] Do you believe that after the war ends foreign fleets in the Gulf would withdraw easily?

[Answer] We cannot express the views of other foreign governments.

[Question] What we mean is what is the Soviet view on this point?

[Answer] Briefly, our stand is that after the war ends and the justification for military presence is no longer there, we must withdraw all the fleets from the region. There are reports to the effect that the U.S. side has confirmed that it will withdraw after the war.

[Question] What will be Moscow's attitude in case Kuwait becomes the target of an Iranian aggression?

[Answer] It is difficult to predict eventualities in such matters. But in answering this question I refer to Soviet leader Mikhail Gorbachev's message to His Highness the Amir which the Soviet deputy foreign minister delivered during his visit to Kuwait in October of last year. The message expressed the Soviet government's support and backing for Kuwait's sovereignty and the Soviet policy toward Kuwait is based on that. I would like to point out here to the development of cooperation between Moscow and Kuwait. This cooperation has covered most of the fields, including the military field.

[Question] What is happening inside Iran and does Moscow have reports on the internal conflicts and frictions that are taking place in the Iranian regime?

[Answer] In fact we obtain our information from news agency reports and from what we read in the papers. Iranian society is one of those closed societies where it is difficult to predict or imagine what is taking place internally.

[Question] How are the Soviet-Iranian relations progressing?

[Answer] We are now seeking to normalize our relations with Iran. We and Iran have much in common, including 2,500 kilometers of common borders. The history of Soviet-Iranian relations has witnessed highs and lows and some old problems still exist. But I would like to emphasize that we are seeking to normalize our relations by activating political contacts by the foreign ministries.

We use our position in order to influence the Iranian position and get it to agree to end the war as quickly as possible. We have taken some serious steps to normalize trade and economic relations, but the volume of trade is much less than it used to be during the Shah's era and the reason is the war. I would like to stress in this regard that ending the war would serve the interests of the Iraqi and Iranian peoples. We support all the efforts aimed at ending the war by peaceful means and are holding contacts with Iran in order to end the war.

[Question] With regard to the Middle East, do you believe that the current uprising in the Palestinian occupied territories and the Arab situation after the Amman Summit provide an opportunity to launch serious efforts for peace in the region? Where do you stand with regard to such efforts?

[Answer] The Soviet Union has welcomed Amman Summit resolutions and during Jordan's King Husayn's visit to Moscow officials expressed their satisfaction with the Amman Summit resolution. They believe that the summit has resulted in stronger Arab ties and efforts to find just solutions for Middle East problems. We believe that the summit results represent a very positive step. We stand with the Palestinian people's just cause. We believe that the uprising in the occupied territories is proof of Israeli failure to break the will of the Palestinian people and their endeavors to establish an independent state of their own and to achieve self-determination. The Palestinian people have demonstrated such will by standing up to the Israeli war machine while unarmed. The Soviet Union has condemned Israeli repressive measures against this uprising. We have more than once expressed our solidarity with the Palestinian people. I have attended the popular rally which the PLO held and have listened to Mr Yasir 'Arafat's speech and felt the extent of the Palestinian people's enthusiasm and determination to continue their armed struggle against the Israelis. I see these rallies as a solid proof that the Palestinian resistance factions have reunited and that the Palestinian people support the PLO. At this time we feel the increasing power of the PLO, the basis of which, in our view, are the PNC resolutions at the recent meeting in Algiers.

[Question] Does Moscow support the proclamation of a Palestinian government in exile in the present circumstances?

[Answer] According to my information the question of proclaiming a Palestinian government in exile is under consideration by the Palestinian resistance factions leaders.

[Question] What would be your view about such a government if it were established?

[Answer] I believe that the matter is up to the Palestinians themselves. They have the right to express their views on it and not us.

[Question] What conditions are you waiting for before withdrawing from Afghanistan, especially since this country may become a Soviet Vietnam?

[Answer] We believe that Soviet withdrawal from Afghanistan is dependent on foreign interference in Afghanistan's internal affairs. We believe that all conditions are now conducive to solving this problem. As you know, indirect talks are currently taking place in Geneva between representatives of the governments of Pakistan and Afghanistan. The documents that will be prepared on this matter will be signed in the middle of this year, provided that no new obstacles or hindrances will arise. We are also interested in national conciliation in Afghanistan. We will withdraw our forces from Afghanistan within 12 months once interference by certain countries in Afghanistan's internal affairs stops. I would like to add that some of these countries would like the Soviet forces to remain in Afghanistan in order to apply pressure and exhaust Moscow.

[Question] You have supplied Syria with the offensive Mig-29 aircraft. Will Moscow supply other countries with this aircraft in case they ask for it?

[Answer] I have no definite reports on this matter, but for a long time we have been providing Syria with its requirements for arms because Syria is a confrontation state with Israel and our supplying it with arms would enhance its offensive and defensive capability.

13305

Iran-Tunisia Contacts Fail To Restore Relations *London AL-TADAMUN in Arabic 30 Jan 88 p 7*

[Text] Informed Tunisian sources revealed to AL-TADAMUN that contacts between Iran and Tunisia took place recently following the change [of regime] in Tunisia. The sources explained that these contacts did not lead to an agreement to restore the diplomatic relations which were severed last year because of the Iranian embassy's being charged with supporting religious movements in Tunisia. The sources said that the refusal of President Zine El Abidine Ben Ali to restore relations with Tehran is not due to the internal reasons which were settled with the passing of the former regime, but was due to the necessity for Arab solidarity and to the demand that Iran accept and implement Resolution 598 at least before the resumption of relations with Tunisia.

REGIONAL

Arab Officials Discuss Prospects for Investments in Egypt

45040045 London AL-HAWADITH in Arabic
8 Jan 88 pp 45-46

[Article by Amir al-Zahhar]

[Text] The resumption of diplomatic relations between Egypt and most of the Arab states is activating their economic and investment relations. Arab tourists and investors have become increasingly inclined to reside and invest in Egypt. Several steps and measures were taken to encourage this trend, such as president Husni Mubarak's inauguration of a \$100 million Arab private investment project west of Alexandria. Moreover, a new decree by the Passport and Immigration Department now makes it possible for Arab citizens of countries with which diplomatic relations have been resumed to get visas at Cairo airport that allow a stay of six months without requiring a transferral of funds.

The question now is: what is the shape of developing economic and investment relations between Egypt and the Arab states; what steps are being taken to facilitate residence and investment in Egypt; and what are the problems, and their solutions, encountered by Arab investors in Egypt? AL-HAWADITH elicited the following comments from Egyptian and Arab officials and businessmen.

Dr. Muhyi-al-Gharib, vice-president of Egypt's Investment Authority, has no doubt that 1988 will witness the real beginning of a strong push for Arab investment in Egypt now that relations have been resumed with several Arab states. It is noteworthy that Arab investors and governments are increasingly more inclined to invest more capital in the Arab world, and particularly in Egypt, especially in view of the severe investment crises in world money markets in recent years which culminated in the crash of international stock exchanges in New York, London, Tokyo, Hong Kong, etc., inflicting heavy losses on several Arab investors.

Dr. Muhyi-al-Gharib adds that Egypt has in recent years, especially in 1987, instituted several reforms that eliminated many obstacles to investment while providing incentives to attract capital. The simplification of import regulations and customs duties, implemented in the middle of 1986, clearly manifested a positive impact in 1977 [1987]. An investor may now use one import license for all his needs during the year, instead of getting a permit for each individual trade.

1987 also saw the establishment of a free-form currency market, in response to investor needs and market demands for a realistic exchange rate. A customs office was opened that year at the headquarters of the Investment Authority as

a convenience to investors. A number of joint commissions were also created with various ministries to make direct decisions at the site of the appropriate authority, again as a convenience to investors.

More facilitating procedures will be instituted in 1988 such as the unified investment code, which eliminates whatever disincentives to investment remain, generally in the form of price controls on goods, services, and fuel.

A symposium on opportunities for Arab investment in Egypt will be held in mid-March 1988 and will be attended by observers from Arab investment funds and foreign businessmen involved with Arab investment. This will produce a synergy of capital, site, and technology especially since Egypt has yet to utilize its resources. Egypt offers a huge market and is rich with skilled labor not readily available anywhere else in the region. The Investment Authority has already begun feasibility studies mandated by its economic and social development plan. Meetings in Egypt and visits to the Investment Authority in 1987 by many Kuwaiti, Saudi, UAE, and Bahraini investors helped highlight the great improvement in Egypt's investment climate.

We have eliminated many of the problems faced by such investors and are working on the rest. Investors in land reclamation, for instance, were hampered by the lack of suitable maps. The problem was solved in agreement with the ministries of agriculture, irrigation, rehabilitation, tourism, and antiquities. The necessary maps will be posted as soon as possible. Investors get outright ownership of that land if they contribute at least 51 percent of capital; otherwise they get the benefit of long-term leases.

Dr. Muhyi-al-Gharib said that meetings and contracts will be even more productive in 1988. Indeed, a huge Saudi-financed fodder plant was recently built at a cost of more than \$100 million at Alexandria's Gharb al-Nubariyah. President Mubarak personally inaugurated the project as a gesture of encouragement and welcome to Arab investment in Egypt. An agribusiness complex will be built nearby to process meats, dairy products, vegetables, and fruits on an area of more than 6,000 feddans.

Kuwait also is increasing the rate of investment, and remains Egypt's largest foreign investor. The two countries recently announced repeal of a decree that banned activities in Kuwait by Egyptian firms. Private and public Egyptian corporations have begun to participate in Kuwaiti projects with manpower and know-how. Egyptian and Kuwaiti banks have also agreed to finance all kinds of foreign trade and to finance a large number of projects in Egypt. The Kuwaiti government is studying a measure to deduct \$10 monthly for a one-year-period from the pay of Egyptians working there in order to help them finance the development of expatriate services in Egypt. Kuwaiti Minister of Finance Jasim al-Khurafi made important contacts during a recent visit

to Egypt and concluded agreements for Kuwaiti financial and investment support of Egypt. He also approved a \$100 million loan to the Egyptian Pharmaceutical Organization.

Cairo was also host last December to a delegation of the UAE chamber of commerce, which asked that Egypt open a permanent commercial center in Dubai to display the latest in Egyptian goods and products. Such goods are popular among consumers there. The delegation also discussed investment in new neighborhoods and made several inquiries regarding energy and labor costs in Egypt and management's authority to dismiss workers if that became necessary.

The vice-president of the Investment Authority emphasized that although Arab investment currently accounts for only 18 percent, it will bloom greatly in 1988 which will be the starting point for Arab investment and a year for cooperation with Arab brethren as they invest in Egypt to give its economy a real boost and truly develop sources of production in the Arab world.

Dr Maurice Makramallah, Minister of State for International Cooperation, says that economic cooperation with the Arab states existed even when there were no diplomatic relations, and will certainly grow stronger as diplomatic ties develop channels for meetings and contacts. Many Arab states consider Egypt the heart of the Arab world. Judging by the huge numbers of Arab tourists who came to Egypt in recent months, a new era of cooperation has already begun in force.

It is also expected that tremendous opportunities will open up for technical and economic cooperation with the Arab states, primarily in trade, finance, tourism, and investment in industry, agriculture, and land reclamation. A committee of experts is currently in the Sudan to discuss ways of bolstering economic cooperation. We have excellent ties with Jordan, and there are constant trade contacts between Egypt and the Arab states. Investment contacts between Egypt and the Gulf states have recently increased noticeably. Several Arab funds and finance institutions, such as the Kuwait Development Fund and the Islamic Investment Bank of Jeddah, have expressed interest in financing development in Egypt. Contacts and meetings for such purposes are increasing daily in the interest of Arab and Egyptian economies.

Gen Ahmad Fahmi, Director of Immigration and Naturalization, says that in the interest of bolstering ties of brotherhood and cooperation with Arab brethren, it has been decreed that citizens of states which resumed diplomatic relations would be allowed entry without first obtaining entry visas in their own countries. Visas valid for a stay of six months are now available to them, and without requiring a transfer of funds, at Cairo Airport and other Egyptian ports of entry. For each additional month of stay, Arab citizens will have to exchange \$180

through the official free exchange market. Those with deposits of no less than \$50,000 could enjoy an uninterrupted stay of a year or longer.

The director of Immigration and Naturalization adds: "There are, of course, measures underway with Jordan and Iraq for travel without advance visas. There are also several travel facilities through the port of Nuwayba' which connects Egypt by land and sea to the Levant and Gulf regions.

Shaykh Fawwaz al-Sabah, a major Kuwaiti investor in Egypt, says it is incumbent upon Arab capital, including Kuwaiti capital, to give preference to investment in the Arab states themselves. International money and investment markets have been subjected to shocks, the latest of which was the crash of Western and Japanese stock exchanges. This may provide an additional incentive to keep Arab capital in its homeland, where there is more security, and especially in Egypt the elder sister where we feel perfectly at home. This outlook may have helped Kuwait become the largest source of joint foreign investment in Egypt. The influx of Kuwaiti capital to Egypt and other Arab states will no doubt have a great impact on comprehensive Arab development and contribute to increased productivity by harnessing technology to serve large markets with readily available means of production such as land, labor, communications, and energy.

Shaykh Fawwaz al-Sabah says that several Kuwaiti investors are already thinking of investing in areas which are needed for Egyptian development. Current efforts to eliminate disincentives to investment, and especially red tape, must be expedited and intensified. Efforts must also be maintained to protect Egypt's advantage of economic and social stability in order to provide an atmosphere of continuing stability for economic activity, to assure the flow of capital not only from Kuwait but also from all Arab and foreign nations.

Shaykh Fawwaz said the future of development and investment in Egypt looks bright, particularly because President Husni Mubarak pays personal attention to promoting production in all sectors and is constantly giving directions to remove disincentives and facilitate the work of Arab investors in Egypt. His latest such directive was to solve the problem of residential apartment ownership for Arabs living in Egypt.

In addition to a climate favorable to investment, all economic apparatuses—not only in Egypt but all the Arab apparatuses in general—must boost the cadres of commercial attaches who help save the investor a great deal of time and effort by making data available to him before he travels to the sister country. This could help attract investment to Egypt and vice versa. The stability of exchange rates in Egypt is also a very important element in attracting investors and enabling them to make accurate assessments in all stages of setup and

operation. Shaykh Fawwaz al-Sabah wishes that Egyptian officials and administrators adopt the same initiative and cut as much red tape as the ministers of tourism and finance, whose efforts had notable success in reviving tourism in Egypt in record time. The development of the customs sector has been so dramatic it drew attention to both ministries.

Ahmad Tawfiq 'Abd-al-Fattah, director of the Riyan Group for Investment and Finance, says that all Arabs dream of their nations developing in a complementary manner to produce all basic necessities of food and other vital commodities. In its various nations, the Arab world enjoys surplus capital as well as natural and human resources. Egypt, in particular, has the necessary labor force, a lower cost of production, and a large consumer market.

Ahmad Tawfiq says that there is in effect economic and investment cooperation between Egypt and the Arab states. Arab investors and the Riyan Group have joint ventures in Egypt, the latest of which is a huge 50 million pound agribusiness complex and farms for animal husbandry, dairy products, and fodder in Al-Nubariyah Al-Gharbiyah. The project utilizes equipment and technology by a Danish firm which is second largest in the world in that field.

The director of the Riyan Group says, "Our companies have projects in such sister states as Jordan and Saudi Arabia. Many of our partners and shareholders are Egyptian expatriates working in Arab countries. This in itself is investment and economic cooperation between those countries and Egyptian citizens and corporations."

What are the obstacles to Arab investment in Egypt as seen by the investors themselves? How do they envision cooperation between their countries and Egypt?

Isma'il Abu-Da'ud, vice-president of the Saudi Chamber of Commerce and Industry, finds that close economic cooperation among Arab and Islamic peoples is very important to meet escalating challenges. Cooperation between Saudi Arabia and Egypt is a duty. The visit by a Saudi chamber delegation was an opportunity to explain the potential of Saudi businessmen and find out what Egypt has to offer to bolster investment cooperation between the two countries.

Saudi investor 'Abdallah al-'Asabi says the problem of heavy equipment stored in Saudi Arabia by contractors who completed their work there could be solved by using the machinery in Egypt for construction, rehabilitation, and development projects.

'Abd-al-'Aziz al-Saqr, president of the Kuwaiti Chamber of Commerce and Industry and the first speaker of the Kuwaiti National Council, was in Cairo with a Kuwaiti delegation. He said that Egypt could draw upon Kuwait's

technical experience with foreign investment. That experience has achieved several principles, the most important of which is that foreign investment is now second only to oil as Kuwait's most important source of national income. Investment represents continuity, whereas oil is a finite resource.

Safety of capital and high economic and fiscal returns are the two most important considerations in a foreign investment. A suitable and equitable return attracts investments.

Current and future joint ventures between Egyptian and Kuwaiti private sectors are in constant need of support and protection by governments in both countries.

The president of the Kuwaiti Chamber of Commerce and Industry said, "Investing most Arab capital outside the Arab nation is unnatural and imposed by conditions of Arab dissension and flawed economic and non-economic decisions. Even without regard to national considerations, which is impossible, we as businessmen also find that investing Arab capital in Arab projects is the best possible road to development as well as monetary returns, not to mention the contribution to Arab social security. In looking towards Egypt, the Kuwaiti investor seeks to cooperate with his Arab brother and share money, effort, and accomplishment with him in the interest of both parties, and as a serious contribution to Arab economic complementarity."

Hamad Muhammad 'Abd-al-Rahman al-Bahar questioned why Arab investors still have difficulty getting permission to own residential apartments in Egypt. 'Abd-al-Salam al-'Awadi, vice-president of the National Bank of Kuwait, inquired if Egyptian domestic industry, such as cement, could be protected against foreign competition.

Dr Muhyi-al-Gharib, vice-president of the Investment Authority, replied that it is Egypt's policy to protect its products. As soon as a supply satisfies local demand, the product is included in the non-import category in order to protect Egyptian goods and encourage their export. He added that the state authorities are currently studying procedures allowing Arab citizens to own residential apartments in response to directives issued by President Mubarak last December on the occasion of inaugurating the Saudi-Egyptian project for fodder.

12945

Milhim Discusses Gaza Uprising, Calls for Arab Support

44040103b London AL-TADAMUN in Arabic
30 Jan 88 p 28

[Interview with Muhammad Milhim, Chairman of the PLO's Department of Occupied Homeland Affairs, by Ahmad 'Abd-al-Majid in Baghdad; Date not Given; "Uprising and Government in Exile; Muhammad Milhim to AL-TADAMUN: Arabs Are Asked to Support Uprising"]

[Text] An interview with Muhammad Milhim, a PLO Executive Committee member, is especially significant these days. The popular uprising in the occupied Arab territories is escalating and it seems that learning the details of this uprising from Milhim, in his capacity as chairman of the PLO's Department of Occupied Homeland Affairs, is important.

AL-TADAMUN has interviewed Muhammad Milhim in Baghdad on the uprising and on Palestinian conditions generally.

[Question] There are those who say that the PLO has no hand in what is happening in the general uprising occurring in the occupied territories. What do you say?

[Answer] Those who say that the PLO has no hand in the uprising are deluded. Even the Israeli military governor has acknowledged that what is happening in Gaza and the [West] Bank is instigated by the PLO. There may be those who say that the PLO has nothing to do with what is happening. But these people do not realize an important fact, namely that the PLO is the Palestinian people at home and abroad and that the Palestinian people at home and abroad are the PLO. If a rebellion or an uprising breaks out in any part of the occupied homeland, then it is the uprising of the Palestinian people, i.e. the uprising of the PLO which represents all the Palestinian people. To separate the PLO from the Palestinian people is to separate the heart from the body. The PLO is not a political party but the framework that combines all the Palestinian forces from the extreme left to the extreme right, be they at home, in the camps or in the diaspora. Consequently, the Palestinian people need no one to instigate them. The Shamir government's plans to seize the Palestinian people's land and to kill their sons are enough to instigate the uprising against occupation. All peoples of the world who suffered from occupation did what the Palestinian people have done. This is a legitimate natural right underscored by international treaties and covenants, such as the Geneva Treaty and others. During the Nazi occupation of Europe, there was popular resistance. When colonialism prevailed in Africa and Asia, there was resistance. This is a natural right. So why is our people's resistance to this occupation, which is the ugliest form of settlement-oriented occupation, considered strange?

These people have resisted occupation and have sacrificed countless martyrs. They continue to resist and will continue to resist until they triumph in their battle to establish their independent state and to achieve their right to self-determination. Faced with this tremendous uprising, 90 percent of the world has acknowledged the right to self-determination and to a Palestinian state and has recognized the PLO as the Palestinian people's sole legitimate representative. The world has also heard from the Palestinian people a emphatic declaration that the PLO is their sole representative and that they would not relinquish their right to self-determination.

[Question] Is it right to view current events in the occupied homeland as an attempt to accelerate efforts toward an international solution to the Palestinian problem or are they an attempt to compel the Israeli establishment to accept the international conference plan?

[Answer] The price our people are paying in dear blood is a price that has to be paid. Therefore, if the entire world does not awaken, then the Arab nation must awaken. As for the Palestinian people, they are resolved to continue the resistance, even unilaterally. The uprising, the resistance, the pool of blood, and the multitude of wounded must inevitably lead someday to the results we seek. We hope that the friendly world that has recognized the Palestinian people's right to struggle and to self-determination will play its supporting role, not just with words but also with action—by implementing the U.N. resolutions and convening the international peace conference which the entire world, excluding the United States and Israel, views as the ideal way to solve the problem justly, comprehensively and permanently.

[Question] A new tendency has emerged among some Israeli officials who have begun to reiterate that it is impossible to impose custodianship on the Palestinian people in the Gaza Strip. We have recently heard numerous statements to the effect that it is impossible to annex the Strip. Do you think that these officials' statements are made seriously, that the statements are a prelude to relinquishing the occupied Arab territories or are a step in the direction of an international conference?

[Answer] The slogan these officials are raising is that Gaza Strip is overcrowded and that by the end of this century it will have a population of 1.3 million people occupying an area of no more than 250 [square] kilometers. Such a population density, unprecedented in the world, will pose a danger to any Jewish presence. They raise this slogan on a purely Zionist basis and they will relinquish the Strip because of the exorbitant price they will have to pay. Moreover, the escalating resistance in the strip and in the West Bank may perhaps make the Israelis think of withdrawing their forces from the Strip. We are wagering on the demographic factor, on the historical factor and on our people's loyalty to their leadership and to their heroic resistance.

[Question] You visited the United States and Canada recently. Was it a private visit or was it a visit to open channels of dialogue with the two countries' officials?

[Answer] I went as a member of the Palestinian delegation to the United Nations and took part in the week of solidarity with the Palestinian people. A debate was held and a vote of 129 in favor, compared to a few abstaining or opposing votes, was given to a resolution supporting the Palestinian people's right to self-determination and to establishing their independent state. This figure exceeds by 6 votes the number of states supporting the resolution last year.

I then visited Canada for two reasons: first to revive solidarity with the Palestinian people and, second, to respond to an invitation extended by the Canadian Ministry of Foreign Affairs. This was the first visit made by a PLO official to Canada. I met in the Canadian parliament with house and senate leaders and members. I also met with prominent officials of the Ministry of Foreign Affairs and with two assistant foreign ministers. I also attended popular rallies in Ontario, Toronto and Ottawa and talked to large crowds about conditions in the occupied territories, the Middle East, the PLO's position on the peace process and efforts to find a solution. I found that the Canadian public opinion is fully responsive to these issues and that it supports the Palestinian cause. But the decision-making government leadership holds a different opinion that is almost compatible with the U.S. administration's policy. This reflects, of course, a vast contradiction between the opinion of the head of the state and public opinion. We hope that this equation will be altered.

[Question] The PLO has requested an Arab League Council meeting to discuss conditions in the occupied territories. What can this request do for the issue of the occupied homeland?

[Answer] The Arab League has been called upon to hold a meeting of delegates because of the serious developments that have resulted from the situation in the occupied territories. The Arab states, which met recently in the Amman conciliation and accord summit, must take a position in the international arena, the regional arena and the political arena or a position supporting the Palestinian people who stand as a solid barrier on the Arab world's western gate. This is the Palestinian people's issue. But it is also a pan-Arab issue that concerns all the Arabs. Therefore, the Arabs must be familiarized with the situation and must take a position in the Arab and international arenas. It is true that the Arab League and the Arab summits have adopted numerous resolutions on supporting the Palestinian struggle. But we want these resolutions to be implemented, especially the resolutions to support the occupied territories and to bolster our steadfastness. As chairman of the Committee for Occupied Homeland Affairs, I receive inadequate Arab funds to support the occupied territories' population. Therefore, a review is necessary and the Arab resolutions calling for support of the Palestinian people must be observed. Some people have been martyred, others have been wounded and the universities have been closed. All these are conditions that require commitments of support. Our Arab brothers must meet in Tunisia, not just once but repeatedly, in order to decide not just on material support but also on moral, political and even military support.

EGYPT

Commentary Ridicules President Reagan's Policy Toward Palestinians

45040065 Cairo AL-WAFD in Arabic 21 Jan 88 p 14

[Article by Khalid Muhammad Khalid: "Dear President Reagan, Let Me Thank You"]

[Text] In my preceding article, I promised the readers that we—they and I—would have a private talk with President Reagan. The talk was slated for today, but two dear friends whose opinion I cannot disregard mediated between us and advised me to delay this talk.

In the veil of despair wrapping me every now and then, these two friends found an aide helping them to convince me to accept their advice. It was but a fleeting thought. I even decided in my heart that it is better and sounder to disregard the "president."

My two friends were overjoyed that I disengaged myself from the president before the clash started.

Your curiosity is probably racing to find out who these two dear and wise friends are—friends who have saved President Reagan and saved me as well, even if only because of what the German philosopher Nietzsche talked about when he said, "fight not the dragon lest ye turn into a dragon too".

These two friends are patience and deliberation.

But a few days ago, President Reagan took the same position which had motivated me to debate, praise, and thank him, if he will permit me to pay him his due in praise and thanks!

This "great Caesar" abstained, by way of his Security Council delegate, from voting for a resolution condemning Israel. This was perhaps the 1001th such resolution foiled by the U.S. veto or trampled by Israel's feet and boots.

As usual, we were overjoyed, and we flew the banners of victory so that the world may see that we are ultimately the triumphant victors!

Mr Reagan was even more overjoyed and gladdened than we were, as evidenced by the fact that he again "abstained from voting" for a subsequent resolution condemning, or not quite condemning, Israel!

Our joy with Reagan's second position was perhaps less than our initial joy, maybe because the surprise which accompanied the first position was able to rob us of our understanding, awareness, and dreams, maybe because our joy had become a subject of disdain and disapprobation, and maybe because we finally realized that Machiavellianism has become the "Bible" and "gospel" of the White House, where the end justifies the means

and where deceiving the Arabs has become a successful means of curbing the charge of partiality to Israel of which the Arabs accuse the United States. The United States thus shakes off the disgrace of this flagrant partiality, as if to tell us: "Look, here I am embracing your causes and blessing your steps by abstaining from voting against your rights and aspirations. If my abstention is worth no more than a 'camel's dropping,' then not all camels are equal in destiny or capability!"

You are right, Mr Reagan. Not all camels or droppings are equal.

As some people who tried them have told us, the White House's droppings and wastes which whet the appetite merit the thanks of those who receive and keep them, even when these droppings are injected with the viruses of vileness, treachery, crime, falsehood, and hypocrisy.

Perhaps you realize now, our Dear Reagan, the reason why I asked for your permission before offering you my praise and commendation.

Would you permit me, Mr President?

There is another reason that urges me to seek this permission.

We, the Arabs, beat the entire West to what you call "etiquette." Consequently, we are very polite and very courteous.

We have things in our Arab poetry and poets which lead us to this politeness and these courtesies.

For example, one of our ancient poets says: "It does not behoove him, he who aspires to praise you; To weave his praise before the permission to praise is granted."

You see, brother president.

This is why I have sought your permission to praise and thank not only you, but all the White House "Caesars," beginning with the late Caesar, Truman.

I should perhaps begin with the worthless President Wilson who inflicted upon himself an unforgivable defeat when he disavowed his 14 Points at the peace conference which followed World War I, under humiliating pressures from Britain and France. With his retreat from his principles, Wilson hit, among others, the ill-fated Palestinian people.

Maybe I should also mention President Roosevelt, who agreed to be a middleman for Zionism and offered the great King 'Abd-al-'Aziz Al Sa'ud to buy the land of Khaybar for the Jews at any price the king demanded so that they might establish their homeland there.

The great and lofty man was content to singe Roosevelt with the biting sarcastic question: "And why just Khaybar?"

We may be somewhat honest and right if we exclude from this "presidential octopus" the late President Kennedy, who was so despicably and sadly assassinated as soon as he raised the slogan of a "new United States."

Once again I beg you, my dear "Caesar," to give me your shoulders so that I may embroider them with the praise and thanks you deserve.

You are the one who abstained from voting two successive times in a matter of days, thus making us happy by not using your veto. But you also disappointed us by failing to use it! The happiness is because you have finally done us a favor. As for the disappointment, it is because when you failed to use the veto, you denigrated us and you sought to expose our weakness to the world, as if to tell the the inhabitants of this globe: "Look, a few crumbs make them feast!"

We were also overjoyed because the entire world saw your hypocrisy with its own eyes. The entire world now realizes that your abstention from voting is, in the final analysis, the same as your veto. Rather, your abstention is even worse and more bitter because with this abstention, you disavow—even if only outwardly—your responsibility for Israel's crimes, regarding which you agree with Israel in advance.

Despite this, there is still a reason—O, Our Father who art in the White House—to thank and commend you. Don't your offenses against us mean that we are still on your mind and that you remember and do not forget us?

Well, then. Our Arab poet says: "Though offended by your insult; I am glad that you remembered me."

You too, O dear Caesar, are the one who sent the message—more royalist than the monarch, as people say—which was read on your behalf to the annual congress of the American Zionist Organization which convened in the final days of 1984. Do you recall it, our dear Reagan?

Here is this excerpt from the message:

"Our support for Israel, our sister in democracy, our strategic ally, and our close friend, emanates from the core of our western democracy's responsibility and our interests.

"I always view Zionism as a fundamental aspiration of the Jews and I condemn those who equate Zionism with the ugliness of racism.

"With the creation of Israel, the Jews were again able to rule themselves in their historical homeland, thus fulfilling a 1,000-year old dream..."

Oh how skillful you are, O priests of the White House, in distorting the truth, offending honesty and humiliating the word.

Despite this, you must be thanked because we are never out of your mind, because you don't deny us your companionship and because, as I have already said, we are descendants of the friendly Muslim poet who says: "Though offended by your insult, I am glad you remembered me."

In past times, the French intellectual Anatole France said: "What distinguishes men from animals is falsehood and politeness." I don't know under which of the two qualities we find President Reagan. However, there is unanimous agreement that he is a polite and polished man.

You, Mr President, are also the one who pushed the Arab Palestinian issue to a dead end.

We have an Arab proverb which says "your two witnesses are your two murderers," meaning that if the law or history issues a harsh judgement, then the sources of the judgement are the witnesses to the crime. Here are two examples:

In the Israeli evening newscast, broadcast at 1930 hours on Thursday, 14 March 1985, the announcer read a statement by a prominent political official who said:

"Israel is happy with the U.S. position in the Mubarak-Reagan talks because these talks have culminated with the United States declaring that it is not prepared to play any role in the proposed negotiations and that the Arabs must head for direct negotiation with Israel..."

On the same day, the NEW YORK TIMES published these painful and distressing words:

"The U.S. officials have told President Mubarak that they will not be able to respond to his requests for extensive economic aid because of the serious problems being experienced by the U.S. economy..."

"President Reagan has viewed President Mubarak's proposals on the peace process as a positive contribution. But he has convinced his Egyptian counterpart that peace can be achieved through direct Arab-Israeli negotiations. The U.S. president has made no comment on the Egyptian president's proposal that the U.S. administration engage in talks with a joint Palestinian-Jordanian delegation..."

"The U.S. officials see no call for playing the role of mediator between the Arabs and Israel. The U.S. administration has refused to respond to a number of Arab countries that have expressed their wish to see the United States resume its concerted diplomatic efforts for

peace, as it did under Carter's administration. President Reagan's administration believes that the time has come for the Arab countries to follow Egypt's example and to negotiate with Israel..."

These are the two witnesses to your freezing the Arab issue, Mr Reagan, and the witnesses to your forcing the Arabs to accept humiliation meekly and ask Israel for forgiveness! We have, dear Reagan, a popular Egyptian proverb which says: "We have accepted defeat, but defeat is not content with us."

We accepted what Truman, a brother of yours, did in the past when he stayed awake, eagerly awaiting with a fluttering heart a telephone call from Tel Aviv to tell him that the protocols declaring the Zionist state had been announced so that he might have the honor of being the first to offer congratulations!

We accepted what the vicious Johnson did before and after the 1967 War.

We accepted your very polite declaration—a declaration whose politeness is matched only by its despicable falsehood—when you said: "With the creation of Israel, the Jews were again able to rule themselves in their 'historical homeland,' thus fulfilling a 1,000-year old dream."

We accepted all the repulsive aggressive positions toward the Arabs and Palestine.

We accepted the chain of massacres and crimes perpetrated by Israel since its birth, even before its accursed birth.

Look, O dear Caesar, at this surprising comparison between the beginnings of the ill-fated people's "death journey" and this tyrannical and vicious procession in these days.

As for those beginnings over which history grinds its teeth and which it stores in its memory for the day of reckoning, we will not tell you about them. Rather, Hal Lehrman, a fair and honest Jewish writer, will tell you about them in his book, "The Zionist Challenge," in which he says:

"After touring the country, meaning Palestine, province after province, I was able to ascertain that the Israeli troops' conduct, even with non-fighting Arabs, was extremely brutal. The army has demolished numerous Arab villages and their Arab inhabitants have abandoned them. The fact that many of these villages did not take part in the fighting did not save them from this fate. I have seen them expel the Arabs from their villages and then blow up these villages so that the Arabs might never return to them..."

You, O Caesar, have used your "veto right" so many times to entrench an injustice and to silence the truth that people have come to believe that if an Arab sneezes in a Jew's face, you would use the "veto right" summarily and voluntarily.

Now, listen to what Hal Lehrman, the honest Jewish writer, said about the horrors of the Israeli beginnings and then consider what is happening now: 76 people martyred, 700 wounded, 6,000 detained, and 200,000 people subjected to curfews, banishment, and expulsion from the country!

We don't know what the coming days will produce, nor what will happen after 8 o'clock on the evening of Monday, 18 January, when I write these lines.

Look again, Mr President.

Forty-one years ago, your beloved friends and allies murdered Lord Bernadotte, a U.N. representative.

Today, they would have murdered Marach Goulding, the U.N. secretary general's envoy, had he not ran as fast as he could when fire was opened on him and on the Palestinians around him!

Even the mosques, O Father, are no longer inviolable. The Israelis storm them, wearing their soiled boots, firing rubber bullets and hurling tear-gas bombs on the congregators.

Now then, Mr President Reagan, do you think that you have deceived international public opinion with your delegate's abstention from voting?

Do you think that you deceive all people when you allege that you are unable to curb Israel?

I don't know how you can be believers in Christ or even in some being below Christ!

In any case, O Caesar, the Arabs do not ask much of you.

They do not ask you, for example, to return the fathers to their orphans, the men and husbands to their widows, or the young sons and daughters or the blossoming children to their parents. They have all departed from this life. You, O Caesar, and all your fleets cannot restore life to a fly or mosquito. If flies rob you of something, you will not be able to regain it.

You may ask: "Then what do they want?"

Stop these ridiculous jokes, O Caesar. You know better than anybody else on earth what they want.

They beg, O, our father who art in the White House, for a spoonful of your compassion and a slice in your kingdom.

If you do this, fine.

If not, then may God reward them and may He task you.

Woe be to the tyrant of the earth from the almighty God.

08494

Trade Exchange With Gulf States Discussed

45040062a Cairo AL-AKIBAR in Arabic 11 Jan 88 p 6

[Article by Faraj Abu-al-'Izz]

[Text] The volume of trade between Egypt and six Arab states—Saudi Arabia, Kuwait, Bahrain, Qatar, the Sultanate of Oman, and the UAE—amounted to approximately 200 million Egyptian pounds. The most important Egyptian exports to these countries are vegetables, fruit, medicines, and ready-made cotton clothing. In return, imports include consumer and durable goods brought in by Egyptians who work in these countries.

The volume of Saudi Arabia's trade dealings with Egypt in 1986 amounted to approximately 122.5 million pounds, compared with 102.3 million pounds in 1985, 183.3 million pounds in 1984, and 224 million pounds in 1983. The most important [Egyptian] exports are citrus fruits, live animals for meat, vegetables, fruits, and aluminum. The most important imports are petroleum products and the durable consumer goods brought in by Egyptians who work in Saudi Arabia.

The volume of trade exchange with Kuwait amounted to 38.8 million pounds, of which 30 million pounds were imports from Kuwait. In comparison, the volume of trade was 69.4 million pounds in 1985, and 51.3 million pounds in 1984. The most important [Egyptian] exports are vegetables, fruits, and medicines. In return, imports include cars shipped by Egyptians in Kuwait and electrical home appliances.

The volume of trade with Bahrain amounted to 5 million Egyptian pounds, compared with 4 million pounds in 1985, and 7.5 million pounds in 1984. The balance of trade has generally been in Bahrain's favor, with the exception of 1982, when the value of Egyptian exports reached its highest rate—1.6 million pounds, out of a total trade volume of 2.6 million pounds.

The volume of trade with the UAE amounts to 31.8 million pounds. The balance of trade was in Egypt's favor by 16.4 million pounds. In comparison, the volume of trade was 11.6 million pounds in 1985, and 8 million pounds in 1984.

The volume of trade with Qatar amounted to 3.084 million pounds in 1986, compared with 2.7 million pounds in 1985, and 3.5 million pounds in 1983. Also, Egyptian exports to the market of the Sultanate of Oman amounted to approximately 1 million Egyptian pounds, !! compared to 1.2 million pounds....[as published].

12937

People's Assembly Delegate Discusses Islamic Reforms

45040058a Kuwait AL-MUJTAMA' 19 Jan 88 pp 15-17

[Interview with People's Assembly Delegate Dr Muhammad al-Sayyid Habib]

[Excerpts] Dr Muhammad al-Sayyid Habib, professor of geology in the Faculty of Science at Asyut University, head of the faculty club at the university and member of the People's Assembly (the Brothers) is an active force on the general level and the level of the Brothers' parliamentary activity. Dr Muhammad Habib, 45, is parliament's deputy for the governorate of Asyut. AL-MUJTAMA' met with him to ask him about the Islamic movement in Asyut Governorate and why it is being accused of violence, and also about the role of the faculty clubs in the Egyptian universities—is it professional or political, especially now that the adherents of Islam have won the chairmanship of a number of important clubs, foremost among them Cairo, Alexandria and Asyut? In his capacity as member of the People's Assembly, we asked him about the role of the Brothers' deputies (36 members) in the assembly, what they have done so far, whether it is possible to imagine the application of Islamic law through parliament, then what conditions there are on people's freedoms in Egypt now. This conversation took place:

[Question] What about the role of the Muslim Brothers' deputies in the People's Assembly? What are the obstacles facing the performance of this role so that it can be the best it can be?

[Answer] Parliamentary activity under the rotunda of the People's Assembly is regulated by the assembly's bylaws. When a member speaks, what are his rights? What are his duties? When does he present a question or request for information or inquiry? How does he discuss an issue? In the assembly there are specific, specialized committees, such as the formulation committee, the housing committee and so forth. The Brothers' deputies have been anxious to deploy themselves within these committees, and thanks to almighty glorious God we have good specialists, experts, and competent people. We have preferred to have our presence within the assembly's committees, which are considered the real "kitchens" of parliamentary action. Any subject or draft recommendation of a law must be presented at the outset to these committees so that they can state their view, then after that the issue is presented to the assembly so that anyone who wants to can make his observations on the subject.

Obstacles We Are Facing

There are many obstacles we are facing inside the assembly.

First of these: the assembly's bylaws. These give the chairman of the assembly the full opportunity to give one party or another, one member or another, as he wants, to grant as he likes, an opportunity to speak or comment. These bylaws are almost detailed point by point so that the goal of the majority alone may be realized.

Second of them: expertise and experience. Parliamentary action requires familiarity, flexibility and time in which the deputy can develop an understanding of the provisions and how to use one provision to override another. The bylaws for example allow things then in the end their stipulations say "unless the majority considers the opposite of that appropriate!"

The third of these obstacles: Parliamentary action requires large, massive, specialized agencies at the highest level. We are still in the position of starting to form these specialized committees, which prepare these subjects for us and discuss for us the issues which can stir up attention and discussion within the assembly.

The fourth of these obstacles is embodied in the assembly's sessions being held within the narrowest limits (three sessions every 2 weeks). The person responsible for this is the chairman of the assembly, who gives the assembly long open recesses on the pretext that the assembly has no work! Meanwhile, a large amount of reports, agreements and recommendations are piling up before the assembly and it has to read, absorb and discuss in a few hours. We have complained frequently about this, to no avail. In general, I imagine that these obstacles can be reduced and parliamentary life, with God's permission, will witness tangible development and effective, influential movement, and perhaps the masses have started to sense this and feel it in the past period.

Most briefly, I can say that the Muslim Brothers' deputies have managed in this period (about 7 months) to impose respect for themselves inside and outside the assembly, and heat has started to radiate through political life. Any subject the Brothers' deputies deal with in the assembly means that the whole assembly moves, and life pulsates through its joints, and consequently in the joints of public life in Egypt, thanks to blessed almighty God.

Satisfying God before the Votes of the Electorate

[Question] This is as far as the role of the Brothers' deputies in the assembly goes. What about outside the assembly?

[Answer] The role of the Brothers' deputies outside the assembly is diversified and many-sided. There is a point which we might mention at the beginning, which is that one of the authorities' main powers is to tighten the noose around the Islamic current in general and the Brothers' deputies in particular. They want to isolate us from the masses so that our ideas will not reach the people. In spite of that, the Muslim Brothers' deputies,

thanks to God, are knocking on all doors and trying to feel out all openings in order to contact the masses, to introduce them to their role and their appeal and what is desired in this delicate stage, in order to prepare public opinion to absorb Islamic thinking, respond to it and defend it. This, in reality, takes time, effort and movement. There still are efforts, God permitting, in this respect. The other aspect of the Brothers' deputies tasks is to take care of people's interests. Most unfortunately, people have long been accustomed to having the role of the People's Assembly member be one of taking care of people's special interests through devious, unlawful means. The Brothers' deputies are trying to change this notion and setting out at the beginning not to attract the votes of the electorate but to satisfy almighty God.

[Question] In your view, is it possible to apply Islamic law through the People's Assembly?

[Answer] Islamic law consists of do's and don't's, commitment to what God has ordered and avoidance of what glorious God has prohibited, and our direct, constant and permanent contact with people is to eliminate grievances and direct people to that in which their prosperity and rightness lies in the world and the hereafter.

The Role of Appeal before the Legislative Role

One can say that the role the Muslim Brothers' deputies are carrying out in parliament is one of appeal more than it is a legislative one, because they are a numerical minority, and that is the attempt to prepare people to accept Islamic law. The People's Assembly has two tasks. The first is oversight of the government's activities and institutions and the second is legislative. The oversight task is most similar to the system of accountability in Islam. In it, we are overseers of the government, and we speak constantly about the role the government must play to serve Islam and the Muslims. That is ordering what is commendable. When we see a mistake which conflicts with the law of almighty glorious God and our belief and Islam, we state, explain and warn. I imagine that some response to us exists. It is true that it is weak on the part of the government, but, with the passage of time, ordering the commendable and prohibiting the reprehensible will, as one of our functions, yield its fruit, if God wills. As regards the laws, we are trying to present the drafts of laws and bring people's views together over them through the other deputies. Although I imagine that the task is not easy, a journey of a thousand miles begins with a step, and the beginning of a heavy rainfall is a drop.

[Question] The Islamic movement in Asyut is accused of being inclined to violence. What is your view regarding that, since you are a deputy for the region of Asyut and work in its university?

[Answer] I would like first of all to shed some light on the nature of people in Upper Egypt, which is different from that in Lower Egypt. I might mention for example that

crimes of vengeance are widespread in Upper Egypt and exist only rarely in Lower Egypt. This may be attributed to the severity of people's natures and quickness to become tense among the people of Upper Egypt. Another point is that young people by their nature are enthusiastic and hasty and do not possess deliberateness or contemplativeness. These two elements represent the cornerstone of some manifestations of violence that exist in Upper Egypt in general. A third point is an inadequate understanding of Islam. Understanding among some young people is not balanced or integrated regarding the nature of change and the platform of change in Islam. Most of these people have learned from books and drawn culture from books, without being brought up at the hands of specialized scholars.

This is one aspect. Another important aspect is the role the security agency plays, and God knows the most about the magnitude of this role, in prompting these young people, if only out of a policy of action and reaction, to behavior which is beneath them. Most unfortunately, there are people who from there slide into serious moral pitfalls. The goal in the role the security agency is playing is obvious and it is not just to strike out at these people's hands but to attempt to distort the image of Islamic action altogether and attempt to liquidate the Islamic current and the Islamic movement in general. A third important aspect is the role of the media, which some Nasserists and Communists in Egypt dominate. They play one of the most dangerous roles, because they inflate and magnify the conduct this type of young people engage in with the goal of making the authorities hostile to everything that is Islamic.

The Al-Rashid Current Is the Strongest

There is something else, which is that a loud voice always provokes interest and attention, but the likes of these young people are not so numerous or weighty as to be in keeping with the volume of propaganda which is raised about them. One can, most confidently, say that the moderate current, or the al-Rashid current, has the most numbers and the most activity, even in Asyut, but it is working quietly and the light does not shine on it. The proof nearest to hand of that is that the young people of al-Jihad tried by every means to convince people of the unfeasibility of running as candidates to the People's Assembly, and they brought out many publications and posters saying "No to the People's Assembly" and fought the notion of elections in a ferocious manner, but nonetheless, thanks to blessed almighty God, this had no effect and the Brother's candidate, which was me, won the individual seat. That proves that sympathy, responsiveness and people's hearts are on the side of the Brothers' thinking and the Brothers' appeal. Of course that has not been without labor, and, God be thanked, we have our quiet, aware, active, vigorous work and also have our young people who bring together students and others with their activity, without commotion or clamor.

[Question] In your capacity as chairman of the faculty club in Asyut University, what is your conception of the role the faculty clubs in the universities can play, especially now that the adherents of Islam have entered them?

[Answer] We can say that the role of the faculty club is a political and vocational one at the same time. I consider that talk about science today is talk about politics, talk about economics is talk about politics, and so forth.

When the Islamic current assumes responsibility for any position, it tries as far as it is able to impart the Islamic coloring to this position and consequently the issues of freedoms, consultation and comprehensive reform pre-occupy it.

Restrictions on Freedoms

[Question] What is your view of freedoms and democracy in Egypt now?

[Answer] There is no doubt that we are experiencing an era in which the individual can say everything he has to say without fear, and this is one of the good features of the era we are living in. We must be fair, although we aspire to more, because there still are restrictions in being, headed by the emergency law, the exceptional laws and the obstacles to the establishment of political parties, papers and magazines. Freedoms are still deficient and truncated in spite of the freedoms that are available now, and we aspire to more.

11887

Unrealistic Ideas in Parliament Reviewed

450400066a Cairo AL-AHRAM AL-IQTISADI in Arabic 25 Jan 88 p43

[Article: "Tidbits From Parliament"]

[Text] In this edition, "Tidbits From Parliament" examines some of the opinions expressed by the majority party and the opposition parties on the government's statement.

Of course there is no oil crisis, since oil is available in the markets. However, in the black market, a bottle costs 3 pounds. The problem is basically one of inefficient distribution.

The negative impact of setting the duration of a telephone call at 6 minutes will show up in the state budget, primarily because civil servants will save their residential telephones and use the special telephones installed in the public agencies.

A total of 2,000 tourists arrived in Luxor and Aswan but could not find hotel rooms because all hotels in the Upper Egypt provinces were fully occupied. This dictates that the state take this situation into consideration and build more hotels.

The government spends 2,000,700,000 pounds on a total of 11 million students. What preparations has the government made for these students upon their graduation from the universities, and what will the manpower situation in Egypt be in the year 2000, keeping in mind the severe current crisis in employment and real work opportunities?

The government has seized 1.5 million dollars' worth of shipments of smuggled alcohol. The government prohibits its smuggling alcohol through customs but does not prohibit dealing in alcohol. It prohibits opium but does not prohibit alcohol. Shut down the entertainment clubs. Shut down al-Haram Street.

Training courses should be conducted for the customs officers to train them in the art of dealing with businessmen, because the current approach is founded on the concept that the businessman is an ill-intentioned crook under all circumstances. The wasted bookkeeping efforts exceed all imagination. The data the businessman submits is assumed in advance to be unrealistic.

08494

Solutions For Unemployment Discussed

450400066b Kuwait AL-WATAN in Arabic 27 Jan 88 p 8

[Text] Cairo—The issue of unemployment and of the decreasing work opportunities in Egypt has become as complex and intricate as never before. At a time when the government has stopped appointing university and technical institutes' graduates, we find that the private sector is also extremely overcrowded and that finding a job or a work opportunity has become nearly impossible.

This is no exaggeration. Documented data and official reports confirm this fact beyond the shadow of a doubt. The Ministry of Manpower has stopped appointing students graduating after 1982, whereas at least 4 batches have graduated since then from 13 universities and from dozens of higher, middle-level and technical institutes and have been added to the rolls of the unemployed. According to the figures of the Mobilization and Statistics Agency, the number of the unemployed has exceeded 2 million. Planning experts expect tens of thousands of Egyptians working abroad to return to the country and to compete for limited work opportunities in the market.

Before we discuss the problem, we must realize that there are annually 350,000 graduates requiring the creation of 350,000 job opportunities. In accordance with the policy and the laws in force for more than 25 years, the government is required to employ all these graduates. As a result, government agencies and offices are terribly

overcrowded with employees. Consequently, numerous flaws have developed in the production structure and in the routine bureaucratic procedures. This is due to the fearful spread of masked unemployment, considering that excess labor in the government agencies has exceeded the total manpower employed by the state by 40 percent.

Dr Raja' 'Abd-al-Rasul, the National Planning Institute director, says that it has become necessary to reconsider the method of graduate appointment. Moreover, the government pledge to appoint the graduates has resulted in so much masked unemployment that it has become normal for the government employee to seek another job next to his official job. Furthermore, a large percentage of graduates have not been prepared for the jobs they hold. This situation represents, of course, an economic loss. It is also a source of major psychological frustration for the graduates who spend long years studying sciences and specializations of which they make no use upon graduation.

[Question] What, in your opinion, is the solution to the problems of masked unemployment and of the diminishing work opportunities available to graduates?

['Abd-al-Rasul] The reform should begin primarily with university education. What indicates the importance of this reform is the absence of a constant philosophy, especially since the specialized technical institutes have turned into university colleges. These institutes are supposed to have a message different from that of the university. But it seems that the luster of the university has influenced these institutes, which have abandoned their message and turned into university colleges. A major flaw also exists in the distribution of university specializations. While we experience a major shortage in some specializations, we find that we have a surplus in other specializations. It suffices to note that graduates of arts, law, and business colleges represent more than 50 percent of the total number of graduates. Moreover, the number of students currently enrolled in university education amounts to 13 percent of the population, whereas the figure amounts to 20 percent in Europe and 21 percent in the Soviet Union.

Besides, state laws offer numerous incentives that make government employment desirable, regardless of the pay. These benefits include the laxity which permits government employees to seek additional employment in other places. Such employees cannot find jobs to perform or even chairs on which to sit in their government offices. Another law that offers civil service employment benefits is the leave system. Leave is taken without any controls and under numerous names. This system results in extremely strange situations which, for example, permit any female civil servant to take a year's or several years' leave for child care or to accompany her husband in case he goes abroad.

[Question] Some people allege that the reason for the increasing number of university graduates is free education. Is this true?

['Abd-al-Rasul] Free education is not the reason. The state is supposed to shoulder the costs of basic education. As for university enrollment, more effective controls must be established—controls such as making sure that the student is serious and committed. High school examination results should not be the only criterion. I suggest that it is more beneficial to give the graduates unemployment aid or social security than to appoint them to government agencies where they have nothing to do. If this suggestion is taken up, then it will give work its true meaning. It is time that we called a spade a spade so that work may regain its respect and sanctity, and so that there may be jobs for those who want to work. Besides, the state will lose nothing if this proposal is implemented because the state will be in fact paying this social security to civil servants who do nothing. I believe that if a small degree of discipline is established in the government agencies, a large number of civil servants will resign because the civil servant will not be then able to reconcile his government job with his other job.

Dr Muhammad Khalil Bura'i, an economics professor at the Political Science and Economics College, says: "We must make a distinction between two terms, namely the job structure and the number of employees. We cannot freeze the job structure. Rather, we must improve it and introduce comprehensive changes to make it compatible with the existing conditions. However, it is acceptable to impose a hiring freeze, especially in the wake of the large increase in masked unemployment. But we cannot separate this issue from the issue of wage levels and of job performance. We cannot, for example, eliminate graft under the canopy of the current income level of government employees, because this income is not enough to meet the essentials. Therefore, the income level must be changed."

[Question] Some people consider what the state pays its employees something very akin to unemployment aid. What is your opinion?

[Bura'i] It is truly so. So, what prevents paying this aid to the civil servants while keeping them at home, so as not to give them the impression that they are doing something whereas in fact they do nothing? What is more, the aid will cause such civil servants to feel dissatisfied and grumble because the aid they get is not enough to meet their living needs. Consequently, they will begin to give serious thought to changing the course of their life.

[Question] How can this problem be overcome?

[Bura'i] It is necessary to reconsider the educational system so that the objective is not merely the graduation of thousands of university students. It is better to encourage the move toward vocational training. The Egyptian scene is currently capable of absorbing any

such number of trainees. The youth are starting to actually be aware of this fact, and numerous university graduates have taken up such vocational jobs. The government must constantly encourage this tendency and must exert efforts to rationalize it.

Dr Ahmad al-Safti, an economics professor at Cairo University and chairman of the National Party Wages and Prices Committee, has asserted that the state's commitment to appointing graduates has meant abandoning its real duty to create real work opportunities, to plan the manpower, and to reconsider the educational policy. If it is true that the government plans to reexamine its appointment policy, then this means that the government is prepared to shoulder its responsibility of creating real work opportunities. It is very easy for the government to offhandedly appoint the graduates to the government agencies and public sector units in return for a few pounds and to delay its real responsibility. The government's abandoning its commitment to employ the graduates would mean increased social pressures on the government to create proper employment opportunities for the youth. Moreover, the Ministry of Manpower's refraining from employing the graduates will produce another benefit. It will expose the allegations of the officials who have customarily attributed the drop in productivity and the decline in the services level to the graduate-appointment policy and to the overcrowding of the government agencies and the public sector units with graduates, thus making it impossible to manage these agencies and units in a sound economic manner.

08494

Religious Groups Prepare For Elections

45040066c Kuwait *AL-WATAN in Arabic* 27 Jan 88 p 8

[Text] The struggle between the Egyptian government and religious groups has begun to assume a new form in the wake of the active campaign launched by the Muslim Brotherhood to register its supporters in the voter lists in order to gain more parliamentary seats in the coming elections, considering that the past elections proved that it is possible to approach the elections within the framework of an alliance and to gain seats in the People's Assembly legitimately.

The Information Department, which is under the direct control of Shaykh Hamid Abu-al-Nasr, the Muslim Brotherhood grand master, produced a wall poster, hung in Cairo and in the other governorates, urging the citizens to register their names in the voter lists. Some sources have noted that the security agencies have reported that the religious groups alone have registered nearly one million voters. This is an enormous figure equalling the figure which enabled the Labor-Liberal-Brotherhood alliance to gain 60 seats in the People's Assembly in the past elections. What the ruling National Party fears is the fact that voting rates among the religious groups amount to 100 percent. If the Brotherhood and these groups continue to register voters at the

same rate in the remaining years of the current parliament's term—which ends in the early 1990's—then they will succeed in registering nearly 5 million supporters. This figure is enough to enable these groups to win nearly 40 percent of the parliament seats and to form the cabinet, if they manage to form a coalition with any of the other parties.

Because these expectations arouse government concern, the National Party members are trying to argue strongly for restoring the individual nomination system in the electoral districts, which used to number 176 districts and which have diminished to 48 districts under the system of election by lists.

08494

Various Aspects of Domestic Arms Production Reviewed

45040056a London *AL-MAJALLAH*
12-19 Jan 88 pp 14-17

[Article By 'Abd-al-Latif al-Manawi]

[Excerpts] In the framework of the circumstances the world is experiencing now, in the form of conflicts and threats, it has become mandatory for every country to seek the best formulas to guarantee itself security and protection. Also in the framework of these circumstances, their greatest beneficiaries have become the arms merchants, or, more accurately, the major arms merchants. In the framework of this climate inflamed with the ideology of conflicts and threat, every country's military spending has come to constitute a substantial part of national product. The magnitude of this spending has reached more than a trillion dollars a year.

All military sources assert that the Middle East is that area of the world in which the phenomenon of the escalation of military arms procurement is most conspicuous and that this region's arms purchases are more than half those of the whole third world. In it there are six countries which are considered among the 10 biggest arms-importing countries in the world.

The escalation in arms procurement, in addition to its effects on spending, has also has its effect in prompting some countries that do not produce arms to enter the production stage, if only with respect to certain simple, small arms and some ammunition, as well as prompting other countries actually producing arms to try to enter the arms market, desire to market their products, and, at the same time, work in a concentrated manner to develop their manufacturing abilities in the area of arms.

Of the countries the armaments race has prompted to develop their manufacturing abilities and attempt to enter the arms race, the most important may be Egypt. With Egypt's entry into the arms market, many questions have been raised concerning its ability and the magnitude of its transactions in this area, and sometimes

rumors have been circulated concerning the purchasers of Egyptian arms and the scope of possible cooperation between advanced arms manufacturers and the possibility of Egypt's performing a more influential regional role in regard to the issue of arms. The following report contains a review of the current Egyptian situation, its potential for development, and the provision of some answers on the questions that are raised.

It is not possible to begin a discussion about the Egyptian arms trade without talking about the arms industry. The two matters complement one another and the development of each is firmly connected to the other.

The real beginning of the modern war industry in Egypt goes back to 1949 when the War Industries Department was established, and this industry began on the basis of industrial permits from Western countries which were aimed at urgent requirements, such as the manufacture of infantry arms and ammunition, anti-aircraft ammunition and artillery ammunition.

However, one can say that the first large contract Egypt concluded was to supply Algeria with 12 training airplanes of the Jumhuriyah class. The basic goal was to support Algeria after independence in rebuilding its armed forces. Libya was also supplied in 1959 with a number of training airplanes and the Sudan was supplied in 1956 with a number of the same type.

Egypt rose gradually from 25th place in the list of countries selling arms, in 1969, to 23rd place in 1972 and 17th place in 1975. Then it leapt to 11th place in 1978, then 10th in 1980, ninth in 1984 and seventh in 1986.

In view of the quality of the arms Egypt has supplied during its history in the arms trade, it is apparent that there has been development in the quality and quantity of the arms exported. This diversification and development are a reflection of development in the arms industry in Egypt and also a reflection of Egypt's cooperative relations with the advanced countries in the manufacture of arms. Egypt has now come to have more than 35 years of experience in war manufacture, during which it has been able to establish the infrastructure and main features of a war industry, and it now possesses 16 factories belonging to the National War Production Authority and nine factories belonging to the Arab Authority — not to speak of expertise and manpower, which comes to 74,000 workers, engineers and technicians.

Now, in addition to the traditional arms production, embodied in light arms, light and heavy machine guns and the necessary ammunition for all the weapons in being in service in the Egyptian armed forces, since Egyptian war manufacture now comes to cover 90 to 92 percent of these forces' requirements as well as large volumes for export and also bombs of various types and

rocket ammunition for field artillery, a number of bombs have been developed from Eastern and Western ammunition by increasing their range and firepower.

A Great Leap

In addition to this traditional production, the most important thing that has been achieved so far may be the establishment of the first two Egyptian factories to produce the Egyptian cannon and Egyptian tank. In War Factory 100, various types of field cannon are produced, such as the 122-mm cannon, and cannon muzzles of various calibers, including the muzzles for the 105-mm cannon, which has been installed on the Eastern T-55 tank, in order to increase its hypothetical life and its firepower.

The armed forces have also finished building the first Egyptian tank factory, which will produce the most modern tank in the world, the American M-1. The last 5 years have also witnessed the early signs of Egyptian production of the French Gazelle-class helicopter, which is armed with anti-tank Hut missiles, and Egypt has produced Alpha Jet aircraft dedicated to advanced training and the Tucano airplane in cooperation with Brazil. This is considered the most modern training airplane in the world.

The value of the transactions made and declared annually comes to about \$900 million (about 2 billion Egyptian pounds), aside from weapons offered free of charge to liberation movements such as SOWAPO in South Africa or in exchange for the receipt of economic or primary food products.

An official Egyptian military source, in response to a question on the volume of Egypt's revenues from the arms trade, made the statement to AL-MAJALLAH that it is very well known that the production of arms requires the availability of hard currency to purchase production requirements or to purchase certain components which cannot be produced locally at economic cost, and consequently the revenues from exports are invested in providing part of the hard currency necessary to continue war production in Egypt, in developing and modernizing production or starting up advanced war industries. The source added that in general the revenues from arms exports so far account for a minor share relative to domestic product, because most production takes place on behalf of the Egyptian armed forces.

According to reports referring to Egyptian arms sales and international transactions in this area, Egypt does not seek recourse to individuals or to organizations to market its weapons; rather, its dealings take place through requests submitted by countries which need Egyptian weapons.

Egypt sets out conditions in its contracts with those who deal with it:

The country will re-export the weapons only following Egyptian agreement arrived at by negotiations in this regard.

Maintenance will take place at the expense of the receiving country.

The weapons will not be used for aggression against neighboring countries, and will be used only to defend the country's national security.

In some cases, Egypt stipulates that the weapons will not be used to end an internal rebellion among members of one country, as is the case in the Sudan and Sri Lanka.

The weapons are shipped from Egypt to the purchasing country on Egyptian ships and tankers or via Egyptian trucks if transportation takes place overland.

Israel occupies sixth place in the arms trade, directly ahead of Egypt. Consequently one would tend to imagine that a competitive relationship would arise between the two countries. However, Egyptian Ministry of Defense and War Production sources have totally denied that such a competitive relationship exists. Their view holds that it is difficult to consider Israel a competitor of Egypt's in the arms trade in view of the difference in the market open to the two parties and the difference in the nature of production. While we find that the Arab and African markets account for the main market for Egyptian arms, Israel has no hopes regarding this market.

For example, Egypt supplies arms and ammunition to Iraq in the Gulf war, while Israel sells arms to the other side, Iran, by devious means.

In spite of that, one can say that competition between Egypt and Israel could take place in the area of arms manufacture, and not in arms marketing. For example, Israel has started to manufacture the Markava tank and is developing that, while Egypt consequently is working to produce a major combat tank, the M-1.

War Production Ministry sources have denied to AL-MAJALLAH that they have at any time advanced ideas on joint Egyptian-Israeli manufacture of certain types of arms. The same sources have asserted that Egypt has no thought of that: "We believe that the natural field for joint manufacture is between the Arab countries and Egypt. That is a hope which we wish to have realized."

The list of countries dealing with Egypt in terms of purchases includes about 42 African, Arab and Asian countries. These are all the Arab countries with the exception of Libya and most African countries with the exception of South Africa, Angola, Mozambique, Togo and Benin. The African countries which have recently signed contracts to buy Egyptian arms include Zimbabwe, Zambia, Tanzania, Kenya, Niger, Central Africa, Gabon and the Ivory Coast.

The major country obtaining Egyptian arms is Iraq, because of the circumstances of its war with Iran. These arms have been diverse, from tank rockets to rockets for airplanes, armored vehicles, personnel carriers, F-4 fighter planes and ground-sea missiles.

Egyptian Ministry of Defense Sources believe that Egypt can be a major supplier to all Arab countries, in order to meet their needs regarding arms in many areas. Indeed, it is possible to develop the Egyptian war industry in coordination with the Arab countries. Marshal 'Abd-al-Halim Abu Ghazalah stated in the past that Egypt has no objection to establishing an Arab war industry. He said, "I believe that the establishment of the Arab Industrialization Authority is the best example of that."

Weapons Egypt Produces

The advanced dual Egyptian 23-mm cannon which deals with low-altitude air targets and can deal with moderately elevated ground targets up to a distance of 2,000 meters. It functions in all types of terrain and air and is considered one of the fruits of the studies which arose from the October 1973 war, since it deals with low and very low aircraft. It succeeded in realizing a direct hit in its first fire against the Commander 2 airplane, which is considered one of the smallest air targets.

The Sinai-23 system, which is the output of the National War Production Authority in conjunction with a French company. Missile rockets and Hawkeye missiles have been manufactured in the Industrialization Authority plants. That is also one of the fruits of the studies of the October war, since the fighting proved that the Egyptian 23-mm cannon and the SAM-7 missile had an important role in the war. This system, which combines location, missile and radar in a single system, has proceeded to realize the best possible protection from air raids of any altitude. The range of the radar system comes to 12 km; in addition there is a computer system and two 23-mm cannon trailers which are able to produce at a high rate, reaching 2,000 rounds per minute and six missile rockets fired at any time. The computer can distribute tasks to four other vehicles outfitted with missile rockets.

The Ramadan-23 cannon, which is the second development of the 23-mm cannon. Modification was made in cooperation with an Italian company. It consists of a main dual Egyptian 23-mm cannon supplied with a radar system, and it gives data through cables.

The Amon system, a joint missile-cannon system. A number of Egyptian modifications have been introduced to it so that it will be compatible with modern combat requirements. The modification took place in cooperation between Egypt and Italy. It is an Egyptian modification of the well known Sky Guard missile system. The dual 35-mm cannon is considered one of the most modern types of anti-aircraft cannon in the world, since

the reaction time is no more than 5.5 seconds, which enables it rapidly to deal with targets which suddenly appear from behind natural obstacles.

Swingfire missiles, which are anti-tank and can deal with targets 4 km away. The rate of fire is two rockets per minute.

The Leopard armored car is distinguished by the ability to pass over terrain and surmount barriers in all climates. It can accommodate 12 persons with all their weapons, personal gear, ammunition and communications equipment. There are 10 side and rear apertures (portholes) which enable it to skirmish from the sides and the rear. It is equipped with an Egyptian machine gun and it can be supplied with a turret equipped with a half-inch machine gun or a 20-mm machine gun. The rate of fire of the Egyptian machine gun is 350 rounds per minute, and it is considered a major infantry weapon.

The modified T-55 tank. It was modified in cooperation with Britain, being rearmed with a 105-mm cannon in place of its original cannon, as well as being supplied with a laser-operated distance gauge for strike accuracy, which has given it a number of advantages, such as armor piercing power. In cooperation with Austria, the T-62 tank has also been modified and developed by rearming it with 105-mm cannon. It has acquired the characteristics of the preceding tank. In addition there is the manufacture of local high-explosive 105-mm ammunition which can be used in all types of tanks armed with this caliber.

The advanced 122-mm howitzer, which is considered one of the best field weapons used in the world. This is distinguished by agility of movement and ease of transport by air. Its weight is 2.3 tons and it has the ability to skirmish in all directions, high accuracy in all directions, the creation of openings in minefields, the production of smokescreens and illumination of combat terrain.

The Egyptian 130-mm cannon, which is one of the best field cannons and has a high capacity to destroy targets, armored vehicles and heavy arms and direct cooperation with land equipment. It is distinguished by agility of movement and high maneuverability.

The missile rocket, which can strike targets up to a distance of 12 km. The rockets have been manufactured in the Egyptian war factories.

The 130-mm field cannon, which is long-range, reaching 38 km, not to speak of the 122-mm self-propelled howitzer.

The dual 23-mm anti-aircraft cannon, whose rate of fire reaches 2,000 rounds per minute and whose effective range is 2,500 meters.

A large group of mortars of calibers of 60 to 120 mm.

The Nile-23 air defense system, which consists of the M-223A2 armored vehicle equipped with a 23-mm dual cannon and four heat combination missile rockets of the Hawkeye class. The system works with a fire management unit and surveillance radar to realize high strike rates.

The Sinai-23 air defense system, which consists of an armored vehicle equipped with a 23-mm dual cannon and six heat rocket missiles operating with a command supplied with Class 20 discovery following radar, which enables it to discover low air targets and helicopters and follow them up to a range of 12 km. It is also able to discover them when they are fixed in the air up to 5 km.

Hawkeye missiles, Egypt's first production of anti-aircraft missiles, which are fired from the shoulder and work by heat guidance. Their maximum range reaches 4,000 meters and the lowest range is 5 meters. They are equipped with a target differentiation system.

The Arab Industrialization Authority

The Arab Industrialization Authority was established in 1975 with capital of \$1.04 billion, with the participation of Egypt and some Arab countries, with the objective of implanting an industrial base which would guarantee the permanent establishment and development of an advanced industry, especially in the war area.

The decree establishing the authority was issued in connection with the Arab solution for confronting the crisis in the need to replace weapons after the October fighting. A decree was issued in 1979 eliminating the authority. In spite of that, Egypt continued to administer it during the years of the rupture. President Husni Mubarak's meeting last month with the Arab Industrial Authority, in its Egyptian makeup, was to eliminate the current situation and the budgets connected to the authority since 1982, especially since Egypt has continued to retain the profits of the authority's capital, totalling \$1.4 billion. Many observers and concerned persons attach hope to the authority of indeed being a nucleus of a common Arab war industry.

Egypt's War Production Capacity

Egyptian war production capacity now comes to \$1.4 billion in value, while actual production now is \$650 million, 390 of which belongs to the National War Production Authority, 250 to the Arab Industrialization Authority and 10 million to the optics plant owned by the Egyptian Ministry of Defense in participation with a British company. 11887

Conflict Between Government and Journalists Analyzed

*45040062b Paris AL-MUSTAQBAL in Arabic
16 Jan 88 p 10*

[Text] A sharp crisis broke out between the Egyptian government, represented by the Supreme Press Council, and the opposition newspapers published in Egypt. The

Supreme Press Council sent the national [government] newspapers a decision mandating the discharge of journalists who worked for the national newspapers and at the same time wrote for party newspapers and drew salaries from both the government and the party newspaper. The Supreme Press Council set 15 January as the date for the press to implement the decision.

The heads of the opposition parties—Wafd, NPUG, Liberals, and Ummah—immediately met and decided to interrupt publication for a week in protest against the decision, in which they saw a state attempt aimed basically at striking a blow against the opposition newspapers. This is because the financial resources of these newspapers do not permit them to have a full staff of editors of their own. Also, editors who combine work in party and government newspapers have arranged their affairs on this basis and could not withdraw from the arrangement without inconvenience.

After the leaders of the opposition met, it was decided that the newspapers SAWT AL-'ARAB, which speaks for the Nasserist tendency, AL-WAFD, which speaks for the Wafd, AL-AHRAR, which speaks for the Socialist Liberals, AL-SHA'B, which speaks for the Socialist Labor Party, and AL-AHALI, which speaks for the leftist NPUG, would suspend publication for a week. All these newspapers, with the exception of AL-WAFD, are weeklies.

After the leaders of the opposition met and decided to escalate the position and turn the case into a fundamentally political case between the government and the opposition, the Journalists' Union adopted a compromise position between the two sides. The government, however, retreated at the last moment. It decided to implement the decision at the end of this year, on the basis that the opposition newspapers could prepare their journalistic staffs during the present year. It was a complete retreat in a way that saved face for the government.

It was generally thought in Egypt that the decision reflected the position of the Egyptian government. However, Muhsin Muhammad, the chairman of the board of AL-JUMHURIYAH who retired on 13 January, wrote an article saying that the man behind the decision was Dr 'Ali Lutfi, president of the Egyptian Consultative Council and head of the Supreme Press Council, and that the decision was not the position of the Egyptian government as a whole.

It is frequently said that the basis of the crisis is the current war between the AL-AKHBAR Organization and the AL-WAFD newspaper. The dispute is basically a strange one, inasmuch as it is between two organizations having one political position, that of the Egyptian right.

Legal Discussion on Constitutionality of People's Assembly

45040051a Cairo AL-AHALI in Arabic 30 Dec 87 p 5

[Kamal Khalid article: "No Mr President, the Matter is not in Hands of Law 'Tailors'"]

[Text] AL-AHALI had exclusively published a report on a unanimous judgement issued on 7 December by the Supreme Administration Court rejecting an appeal by the government against a ruling by the Court of Administrative Justice on 31 March in favor of the case challenging the constitutionality of law no. 188 of 1986 recently passed by the People's Assembly and referring the case to the Supreme Constitutional Court. The court described the law as a deviation from legislation and in violation of the lofty principles of the constitution and the spirit of its text and provisions. It is also an invalidation of the principle of equal opportunity among citizens which is a violation of articles 8 and 40 and an abuse of power. The ruling said that limiting the constituencies to 48 is prejudicial to the right of the ordinary citizen who does not belong to any political party and so cannot stand candidate or express an opinion and, therefore, is unable to participate in public life and take part in an important aspect of it, namely competing for the membership of the People's Assembly which exercises legislative powers.

AL-AHALI had also exclusively exposed the journalistic error which AL-JUMHURIYAH and AL-AHRAM newspapers committed on 13 December by publishing a fabricated and false interpretation of the rulings of the Supreme Administrative Court on 12 December in the case submitted to the previous People's Assembly, following the ruling by the Supreme Constitutional Court on May 15 1987 on the unconstitutionality of the previous People's Assembly. The Supreme Administrative Court (first circuit) on 12 December decided to reject the urgent request to stop the 1984 elections because it had become out of the question and impossible to implement after the People's Assembly had actually been dissolved. The court also disallowed considering the request to rescind the contested administrative decisions before the Administrative Judiciary Court looked into it, on the grounds that it is a primary court and that such a ruling deserves appreciation because it represents a commitment by the higher court and a desire on its part that not a single step of litigation be missed, despite my frank conceding of such inalienable right which is established in the court's verbal and written depositions.

I say that, at the time when AL-AHALI exclusively published the correct Supreme Administrative Court's decision of 7 December and thankfully exposed the error committed by two government papers, I was surprised by reports published in some government and partisan papers saying that there is an inclination to return to the free and direct individual election system. All these papers disagreed on the method by which we will return to the individual election system.

One paper said that President Husni Mubarak asked Justice Ahmad Musa, People's Assembly deputy speaker and chairman of the committee for revising laws, to speedily complete drafting the new law for the People's Assembly elections on the basis of the individual system, while returning to the old constituencies division, with a view to issue this law by the People's Assembly during the current session to be passed by the People's Assembly along with other laws. The paper said that this request from President Husni Mubarak came in response to the ruling to refer the present election law to the Supreme Constitutional Court, to debate its present constitutionality, and after it appeared that the list system of election [a system in which the voter chooses from a list of candidate's names] has led to some of the opposition elements winning when they could not have won in an individual election system [a system in which anyone can run for office].

Another paper said that a People's Assembly member submitted a bill providing for the return to the individual election system and the abolition of the list system. The member said in his explanatory memo that the list system permits the success of some undesirable candidates simply because they are included in a list containing acceptable candidates.

A third paper said that it has learned that there will be a redividing of the electoral constituencies in case of return to the individual system. Certain well-informed political circles have confirmed that there is a strong inclination to abolish the list system elections and to bring back the individual system.

In my view, if this is true and there is an inclination to respect legal rulings, then the matter will not need much effort or deep thought. We do not need to draft a new bill that would be the creation of the so-called "tailors" of the law and that would engulf us in a new whirlpool of legal disputes because the present People's Assembly has no power to legislate any laws. The text of article 10 of the explanatory note of the law of the Supreme Constitutional Court is clear and categorical proof. It would suffice for the President of the Republic to issue a decision dissolving the current People's Assembly. The decision should include inviting the electors to new elections no later than 60 days from the date of the decision of dissolution (article 136/2 of the constitution). He then should issue a decision rescinding the amendments made to the People's Assembly law number 38 of 1972 amended by law number 16 of 1974 and law number 109 of 1976, (which rescinds decisions number 21 of 1979, number 22 of 1979, number 114 of 1983, and number 188 of 1986).

Only thus can we return, easily and smoothly, to the free and direct individual election system, without need of the fancy ways of the "jurists' lobby".

There would also be no need to hold a referendum on the decision to dissolve the assembly as provided in article 136/1 of the constitution because the dissolution decision this time derives its power from the judiciary rulings issued in case number 131 of judicial year 6, of the laws pertaining to the Supreme Constitution Court session of 16 May 1987; case number 2516 of judicial year 41 of the Administrative Justice Court session of 31 March, 1987; and case number 163 of judicial year 33, Supreme Administrative Court session of 7 December 1987.

Obviously judiciary rulings should not be subject to referendums.

On the other hand, talk about the constitutionality of steps taken to extend the presidential term for a second time can be avoided, because article 87 of the constitution gives the President of the Republic the right to constitutionally extend the presidential term, if we consider the extension measures invalid or defective because their source was a People's Assembly whose constitutionality and legal balance is challenged or is totally lacking. All there is that the new Assembly, which we hope will be achieved by honest and free elections, will supervise new measures to extend or limit the presidential term of office.

13305

JORDAN

West Bank Exports Cause Jordan-Common Market Conflict

44040074 London AL-DUSTUR in Arabic
14 Dec 87 pp 11-12

[Article by Yusuf al-Rimawi: "The Conflict with the Common Market"]

[Text] There exists a silent conflict between the European Common Market and Jordan over the exportation of West Bank agricultural products to European markets. This conflict continued to grow slowly, until it came out into the open recently, when the Common Market's deputy, Mr Claude Cheysson, made a recent visit to Jordan to take part in a symposium on oil and the future of development in the Arab world, a symposium called for by Crown Prince Hasan, King Husayn's brother, who also led the discussions.

In conjunction with this symposium, Mr Cheysson held a news conference in Amman, in which he praised the success of the emergency summit meeting. He spoke about the possibilities of peace in the region, and about Europe's role in pressuring for an international peace conference, in view of the fact that it is the only way by which the Middle East can attain peace and security. He also spoke about the Gulf war, stressing its seriousness and emphasizing that the most important thing achieved by the Amman summit was that it showed that the Arabs

had a unified position. This will have certain impact on international public opinion, and that is important because the world powers will be influential in ending the Gulf war, in accordance with United Nations resolutions, especially Security Council resolution No 598.

What is important is that all but one of the views expressed by Cheysson at his Amman news conference were accepted and welcomed both in official circles as well as by the Jordanian media. The only issue that was not accepted was the question of Palestinian agricultural exports to the nations of the European Common Market.

Marketing Without Middlemen

Mr Cheysson's point of view can be summarized in that the nations of the European community have the utmost interest in strengthening the economic situation in the West Bank and the Gaza Strip, whether through direct material assistance or by facilitating the marketing of Palestinian products, in particular agricultural products, in Market nations. However, these Market nations—according to Mr Cheysson—want dealings between the West Bank and the Gaza Strip on the one hand, and Europe on the other, to be direct and without middlemen, regardless of whether those middlemen were Arab parties, "such as the Jordanian or Egyptian governments," or other parties, such as the government of the Zionist enemy.

To emphasize this position, Mr Cheysson said at his news conference: "Israel will find itself involved in a political crisis with the states of the European community if it refuses to allow Palestinians in the West Bank and Gaza Strip to export their agricultural products to Europe directly. If Israel rejects that, Europe will be forced to postpone a decision by the European parliament regarding the economic protocol that was slated to be implemented between Europe and Israel, and relations between the two sides will become tense."

Cheysson added: "Israel's stance towards West Bank and Gaza Strip exports is illegal, and represents a violation of international law and custom."

Cheysson demanded, in the name of the European Community, that Israel remove its condition that bars Palestinian exporters from exporting their products other than through the Israeli marketing establishment (which has two branches, one of which is known by the name of the Citrus Marketing Council, and the other by the name of "Agrisco" Company for agricultural exports). He stressed that it would be hard for the European parliament to agree to lower tariffs on certain principal Israeli exports to the Common Market, as has been demanded by Israel. Israel had protested to the Market states the linkage between lowering tariffs on the one hand, and the facilitation and independence of Palestinian agricultural exports to Europe.

Jordan's Position

As far as Jordan is concerned, this issue is more of a political problem than an economic one. The question asked by the Jordanian government in response to what has been raised by the European Community or by Mr Cheysson, is this: "Should the West Bank and the Gaza Strip be dealt with as an independent political region, or must it—the West Bank in particular—be dealt with as part of the Hashemite Kingdom of Jordan, since the West Bank was part of the kingdom when it fell into the grip of occupation in 1967?"

Mr Marwan Dudin, minister of Occupied Territories' Affairs in the Jordanian government, told AL-DUSTUR: "We oppose the European position on Palestinian agricultural exports to the countries of the European Community, in spite of our realistic policy that is based on practical measures. Jordan—with respect to the West Bank—has a very special position. In our view, what Mr Cheysson and the European Community have done takes away from Jordan's legitimate right to demand that Israel withdraw from the West Bank as a part of the Hashemite Kingdom of Jordan. We support the same aspects of the Palestinian problem that all the other Arab states do, but with regard to the West Bank (as one of the aspects of this problem) we have our own special position, based on the lawful and constitutional situation prevailing before the 1967 occupation."

Speaking to AL-DUSTUR Mr Didun added: "Therefore we believe that the direction taken by the European Common Market should be censured and protested. We want Palestinian agricultural products to be exported to Europe or to any other place in the world bearing an Arab identity, and to say clearly that they are West Bank products from Jordan. However, if this position of ours might be seen as impeding the interests of the farmers among our brothers under occupation (and that is not true, though it often appears so on the surface of things), then we do not accept that, and demand then that there be direct dealings between the European Community and the Palestinian exporters in the West Bank and Gaza, on condition that it be done in complete coordination with Jordan in accordance with our programs and plans for regulating West Bank exports, as well as those for social and economic development under Zionist occupation."

Europe and Alternatives

[Question] "What are the pros and cons of agricultural exports from the occupied territories to Europe? And why cannot Arab markets, for example, be used as an alternative to European markets?"

[Answer] "First, it should be said that the exportation of all West Bank commodities, especially agricultural ones, in past years used to pass through Jordan (the East Bank). Agricultural products coming from the West Bank were given the same treatment as agricultural

products from the East Bank, and the products of the two banks used to be exported to Arab markets as a single Jordanian product. The most important consumers of these products were the Iraqi and Syrian markets and the Gulf markets. However, all these markets have in recent years been affected by important economic factors which have changed their ability to consume Jordanian and Palestinian products. With regard to Syria, because of its economic situation, the Syrian importer is no longer able to pay in hard currency, while the Jordanian or Palestinian exporter is no longer able to sell on long term credit. As for Iraq, in recent years it has begun to regulate and limit imports because of the circumstances of the war, which are well known. As for the Gulf markets, because of the noticeable interest lately in agricultural development in those countries, the need in those markets for Jordanian and Palestinian products is much less than it used to be in previous years."

Mr Marwan Didun added: "The disappearance of these principal markets has made us think about other markets, especially the European Common Market. But the problem with that market is that it is highly competitive, and that trying to get into it and make rewarding returns seems to be extremely difficult, in view of the technical standards required by that market prior to export, such as washing, wrapping, and waxing, and the various stages of transport, all of which cost a lot and reduce the profits expected by the Palestinian or Jordanian exporter. Perhaps the real solution to this problem would be to establish a national agency in the occupied territories to oversee the regulation of the entire process, beginning with decisions on the types of crops that should be grown, or what is known as the agricultural trend, and decisions regarding what proportion may be exported. We believe that that should not exceed 50 percent of the total production, so that our people in the occupied territories would not be forced to export all their products and then would have to consume Israeli products".

Finally, the minister for Occupied Territories' Affairs in the Jordanian government believes that: "Just opening the European Market to agricultural exports will not solve the problem of agricultural production in the occupied territories, especially under the circumstances of stiff competition that I have mentioned. What is needed is for the growers of the West Bank and Gaza (with the total support of, and in complete coordination with, the Jordanian government, which would have its agencies and experts there on the West Bank) to establish an appropriate infrastructure that will enable the Palestinian exporter to effectively enter the European market and to achieve real profitability. That will lead to the development of the entire agricultural process, which will lead in turn to our people becoming rooted in their land, and to the strengthening of their steadfastness in the face of tyranny and occupation."

LEBANON

Skyrocketing Inflation Depicts Collapse of Economy

44040098 Beirut AL-NIDA' in Arabic 22 Jan 88 p 5

[Text] The price index the Research and Consultation Agency prepares for the General Labor Union showed an inflation rate of 721.6 percent in December 1987, compared to prices in December 1986. The rate of inflation for the second half of 1987 amounted to 310.7 percent, the figure the General Labor Union uses as a basis for its wage adjustment demands.

The index study prepared by the agency noted the breakdown of the price formation regulatory mechanism in the second half of 1987, whereby the process of pricing commodities and services is no longer linked to production costs, but rather is subject to the higher short term profit syndrome, coupled with the disappearance of even the elements of competition.

With the fall of the pound as a pricing tool, the dolariization of the Lebanese economy has made good headway. Businessmen and industrialists, however, were not satisfied with linking the sale price of their products in the local market to changes in the exchange rate of the dollar, pushing prices beyond these limits in pursuit of higher profits, as demonstrated by the comparison between changes in consumer prices and the dollar's rate of exchange (721.6 percent against 584 percent).

The study noted that the prices of apparel and linens registered the highest increase, followed by foodstuffs. It observed that the astronomical rise of the price index will trigger a broad wage adjustment battle because the relationship between wages and spending under registered inflation levels seems to have disappeared. This means that in order to maintain the purchasing power for the second half of 1987, wages must be increased by the same rate of inflation during this period, or 310.7 percent, because the scientific basis used to adjust wages in accordance with the average rate of inflation would have been eliminated at a time when the trend is still toward a critical upward turn.

Text of Study:

Following is the text of the index study, as prepared by the Research and Consultation Agency with detailed tables attached.

Never before has Lebanon witnessed a rise in the consumer price index as in 1987. Between December 1986 and December 1987, the rate of inflation amounted to 721.6 percent, compared to 162.2 percent for 1986 (December 1985 - December 1986). As for the average rate of inflation for 1987, it amounted to 423.2 percent, compared to about 105 percent for 1986. Thus, inflation rates in 1987—whether computed at the end of the period or averaged out—are more than 4 times greater

than the 1986 levels. This underscores the inflationary trend of the index and augurs universal and grievous economic and social consequences. Regarding the last quarter of 1987, the inflation rate was 105.6 percent, the highest quarterly hike in Lebanon's modern history. It broke the former record rate of inflation reached in the third quarter of that year which was 100 percent (June-September).

Observations:

In tracing the changes in the consumer price index in 1987, a number of observations and conclusions can be made, the most significant of which are:

1. Local consumer markets in 1987, in the second half in particular, were marked by an almost universal pricing disarray. For in the face of the persistent fall of the Lebanese pound and the absence of serious official or popular price controls, the price formation regulatory mechanism virtually broke down and circumstantial and capricious considerations played an effective role in setting these prices, using "legitimate" reactions to the fall of the Lebanese pound as an excuse. A field survey reflected great and unjustifiable discrepancies in these prices, according to different areas, districts and sale centers. It also showed that the process of pricing commodities and services was no longer linked to production costs or lawful gains stipulated, theoretically, by the Ministry of Economy decrees, but rather fell under the influence of the greater short-term profit syndrome on the part of merchants and producers. Even the terms of competition, long regarded as a hedge against inflation, have lost their effectiveness due to market disintegration, the consolidation of "de facto" monopolies and higher transportation expenses that do not allow consumers, as they once did, to move around in search of lower prices outside their areas of residence.

2. An analysis of consumer price changes in 1987 showed that the dolarization of the Lebanese economy has made good headway, becoming a basic feature of the existing economic situation. With the Lebanese pound losing its role as a pricing, exchange and savings tool, foreign currencies, the dollar particularly, inherited the greater part of that role, even in the retail markets, notwithstanding resolutions adopted by competent ministers (economy, finance, interior), in which they warned against the consequences of dealing in foreign currencies as a substitute for the pound in these markets. It is noteworthy that economic agents, businessmen and industrialists alike, were not satisfied with linking the prices of their products in the local market to changes in the dollar's rate of exchange against the pound. Rather, they pushed them beyond these limits for greater profits, taking advantage of the absence of any kind of price controls. Perhaps the best case in point is the comparative analysis of the changes in consumer prices, on the one hand, and the dollar's exchange rate, on the other hand. For a while the consumer price index rose at a rate of 721.6 percent between December 1986 and December

1987, the dollar (the monthly average in 1986 compared to that of 1987) rose at an average rate of 584 percent. This disparity applies to most of the 1987 quarters taken separately, the last one in particular when consumer prices rose at a rate of 105.6 percent while the dollar only rose at an average rate of 75 percent. One school of thought says that a turnaround occurred in the relationship between changes in the rate of exchange of the pound and the dollar whereby the dollar, which rose at a higher rate than consumer prices in 1985 and 1986 lagged behind consumer prices in 1987. Is this regarded as a compensation for local prices lagging behind the dollar or does it lay the ground for a subsequent more critical and grievous inflationary phase? The answer to this question will be answered in the coming months.

3. This analytical change in the index indicates that the prices of apparel and linens registered the highest increases in 1987 compared to other consumer items, followed by prices of foodstuffs and "other expenses," then the housing index. This sequence applies as well to price changes in the last quarter of the year. As for commodities, prices of fruits registered the highest percentage rate among consumer goods, amounting to 1,370 percent, followed by grains at 1,160 percent, shoes at 1,110, milk and dairy products at 1,002 percent, oils and fats at 959 percent, sugar products at 917 percent, alcoholic beverages at 883 percent, cleaning supplies at 880 percent and apparel of all kinds at between 876 percent (women's wear) and 700 percent (men's wear). In 1987, it was noted that a large number of commodities disappeared from the market or were replaced by other locally-produced goods, thus creating added difficulties in computing inflation rates due to a change in "trade-marks," weights and processing procedures.

Wage Adjustment Battle

4. The astronomical rise in the consumer price index in 1987, the last quarter in particular, will trigger a broad wage adjustment battle, particularly since the year in question indicated the absence of a relationship between wages and spending under registered rates of inflation. It is common knowledge that a wage adjustment of 100 percent was approved for the first half of the year (affecting the first half of the wage schedule), the same rate of inflation registered during the first 6 months of the year. The purpose of this adjustment was to maintain the purchasing power at the early 1987 levels (irrespective of its then very low levels). If we assume that the new wage adjustment for the second half of 1987 must maintain the same purchasing power, wages ought to go up at the same rate as that of the price index in the second half of the year, or 310.7 percent. It is legitimate from a scientific point of view, not to mention other societal and living aspects, for wage earners to insist on this adjustment rate, computed on the basis of rates of inflation registered toward the end of the period. Since the trend is toward a sharp upward turn, there is no longer a scientific basis to adjust wages according to the average rate of inflation, because this process means in

practice that wages are supposed to make up for part of the inflation rates—average rates reached during the year—while wage earners find themselves obliged to pay

year-end prices for goods and services that are almost double the average year-round rates.
12502

Consumer Rates of Inflation in Beirut for December 1987

Category	Weighting	12/86	03/87	06/87	09/87	11/87
1. Foodstuffs						
Grains & Grain Byproducts	7.7	1160	662.8	555.5	209.9	10.7
Starch Foodstuffs	1.0	880	247.9	114	42.8	-4.7
Sugars	1.6	917	478.4	306.9	55.3	11.0
Nuts & Seeds	0.9	660	436.2	337.1	87.2	-7.0
Veg.	50.5	430	332.7	298.2	88.9	-16.3
Fruit	5.5	1370	663.7	168.7	69.8	0.3
Meat & Meat Byproducts	10.0	710	374.8	321.8	87.9	-2.3
Fresh eggs	0.9	750	488.2	404.9	95.0	-1.6
Fish & Sardines	0.7	650	259.0	139.1	58.6	-12.9
Milk & Dairy Products	3.6	1002	507.0	415.1	125.9	6.9
Oils & Fats	2.1	959	585.0	408.5	128.4	7.6
Misc. Foodstuffs	0.3	1085	682.0	387.4	139.2	7.9
Beverages & Refreshments	1.6	641	418.6	294.6	88.4	1.9
Alcoholic Drinks	0.2	883	513.7	345.8	96.1	2.9
Eating out	1.65	63.9	369.1	211.4	60.2	5.2
Totals	42.8	762.1	441.0	306.5	96.2	-0.7
2. Clothing & Linens						
Menswear	1.55	700	700	183.8	183.8	13.5
Ladieswear	1.95	876	876	271.4	271.3	46.1
Childrenswear	1.20	707	707	284.2	284.2	75.9
Undergarments & Underwear	1.15	843	741.7	539.6	72.9	
Shoes	2.40	1110	584.4	425.3	182.1	53.6
Linens	0.30	605.1	275.8	275.8	49.2	-17.6
Totals	8.00	869.7	649.2	350.8	165.8	41.8
3. Housing						
Rent	16.30	27	27	27	27	27
Utilities	4.05	632	405.4	150.5	78.7	8.4
Durable Consumer Goods	2.60	563	430.2	403.6	86.6	-13.1
Repairs & Renovations	0.50	638	267.8	230.1	10.6	-17.7
Totals	23.45	526	383.8	299.3	76.4	-9.0
4. Other Expenses						
Medical	7.20	644	290.7	306.2	116.8	12.9
Personal Care	0.70	800	462.6	282.4	72.2	1.4
Education	3.90	317	317.0	256.4	256.4	54.7
Rec. & Travel	1.9	496	333.2	213.8	138.7	28.4
Trnsp.	5.2	533	365.3	266.5	75.6	2.8

Consumer Rates of Inflation in Beirut for December 1987

Category	Weighting	12/86	03/87	06/87	09/87	11/87
Phone	0.2	400	275	275	125.2	12.5
Cleaning & Home Cleaning Products	1.7	880	679.9	448.5	146.7	5.2
Domestic Help	0.4	230	230.0	89.8	52.6	26.6
Cig. & Tobacco	3.8	861	547.9	414.7	77.9	-3.0
Misc.	0.2	469	469.0	326.7	326.7	184.5
Totals	25.20	612.5	391.1	299.6	109.0	10.0

SUDAN

National Parties Vie for Power in Wake of Kurmuk Battle

45040053 Dubayy AL-BAYAN in Arabic 8 Jan 88 p 12

[Article by Muhammad Nurani in Khartoum]

[Text] When I travelled to the Sudan, there were two motives hastening my arrival in the land of the battles in Kurmuk and Qaysan.

The first was in response to a personal desire to live among the fighters who were defending parts of the country that had fallen into the hands of the rebels and agents.

The second was in response to the official desire of AL-BAYAN newspaper officials that the newspaper be present at the heart of the battle. As an Arab newspaper, AL-BAYAN could not remain distant from events in the greater Arab homeland. It could not depend only on what is broadcast by foreign news agencies, most of which, due to political considerations imposed by international struggles and ambitions, is news colored with a thousand shades and a thousand formulas.

I intended to land in the area besieged by Garang's troops, Ethiopian weapons, and Cuban specialists. However, I found in addition that the Sudanese people are besieged in the political capital—Omdurman, Khartoum, and Khartoum North—by a partisan debate employing forceful accusations and direct charges of being an agent and trafficking.

In the various lands and parts of the Sudan a different kind of siege is growing. It is tightening its grip on the simple working people, regardless of whether they belong to the two government parties or to the other parties.

I found myself frustratedly turning my gaze between one siege and the other and trying to force my pen to record what is happening there as it happens, without personal or professional emotion.

As I begin this impartial observation of events in the political arena and behind the scenes, I have to let you hear a whisper heard nowadays: "Did the fall of Kurmuk and Qaysan into the hands of John Garang's soldiers prevent the fall of the government of al-Sadiq al-Mahdi?"

The Whispered Question

To answer this whispered question, one must try to penetrate the political siege encircling the Sudanese capital. Unfortunately, it is a multiple siege of different parties. Each party has its own vicious patrons bristling with foreign funds and journalistic trumpets supported by secret concessions. They stand at every turn and in front of every door in the wall of the siege.

The two government parties gained power through the automatic voting of their masses, who are controlled from afar by the [Sufi] orders of the Ansar and the Khatmiyah—as if the beads of the Muslim rosary were remote control buttons! These two parties have applied the old imperialistic adage, "Keep your dog hungry and he will follow you." Because democracy and the principle of consultation come naturally to the Sudanese personality in ordinary, family, and social life, and because the only talk that delights Sudanese ears is talk and discussions about politics, the two ruling parties have been guaranteed continuance in the seats of authority, after having furnished these masses with prolonged suffering which reaches them wherever they are and wherever they turn, and fetters and forces them to stand in the ranks of daily suffering to obtain—in a patience that even the patient cannot endure—the minimal necessities that will allow them to carry on a life-in-death and moisten their tongues to continue the sharp political discussions. Late at night they relax with various kinds of narcotics, to wake up at the crack of dawn, to the dawn of al-Sadiq, who puts ointment on their eyes and encourages their ambitions.

As for the opposition parties, their entire interest lies in exploiting the siege, either the political one in Khartoum or the military one in Kurmuk, in order to strip the government naked and weaken it, without striking it a blow that would force its overthrow.

Their turn in government is scheduled by time and calculated by powerful minds behind the scenes. They are in no hurry. They have renounced the seats of power, for the time being. Their ambitious glances are directed far ahead—farther than the place where their feet or the feet of the two ruling parties stand.

An influential part of these opposition parties has now begun to infiltrate the circles of students and government employees, and even exploit the health of sick people who hover around them. They do this by locating health clinics in popular districts, with an examination costing no more than 2 [Sudanese] pounds, instead of the full 20 pounds which is the price of an examination in private clinics these days. These clinics also sell people the medicines that are not available in the other pharmacies at modest prices. This humanitarian role, for which one must be thankful and which one cannot criticize, has brought the NIF great and ever-widening esteem that echoes in the souls of the simple people who live in misery.

Furthermore, money generously and intentionally expended has gained them virtually immovable positions among the students in high schools, higher institutes, and universities, among unemployed graduates whom they do not abandon until they are placed in guaranteed jobs, and among low-salary government employees, whose daily needs they guarantee at their prices, rather than their buying them from the black market.

All this has made the NIF a horse to bet on, one that has already begun the race toward distant political horizons and the coming elections.

The Other Parties

As for the other parties, some of them have had roots in the political soil since the Sudan obtained its independence. Others were the product of democratic gains. They consist of groupings or blocs that have found themselves platforms or microphones through newspapers published "to be confiscated," and that devote their pages and camera lenses to written political advertisements and to pictures of leaders solicitous for democracy, men who jumped to the defense of democracy after the April uprising, although in reality they are traditional liars wedded to spreading lies.

Winners and Losers

Because the time is too short for us to go into precise details about each party and grouping, I will limit this overview to the events that are the subject of conflicts in the hot Sudanese arena, and to the negative and positive impacts of these events on the parties struggling with each other around the helm of the Sudanese ship of state, which never stopped sinking throughout Numayri's military government, and which has continued its descent during al-Sadiq's democratic government.

No one can predict what will happen tomorrow. Will the ship still be sinking when the 33d anniversary of the country's independence comes, or will the flag that has become the only symbol of independence wave again in true pride and full sovereignty?

No one has an answer to these questions. The optimists—negative people who do not belong to any of the parties—think that the numbed masses who have surrendered to the suffering of the daily struggle for existence will in the end decide the matter and correct the course of the political leaders, especially in the DUP, "the party of the middle," as they call it. The pessimists, who describe themselves as realists, and who have studied the Sudan's recent history and fathomed the marvels with which time is pregnant, think that a Numayri is no doubt gestating now within the womb of cruel circumstances. Seizure of power would require only the movement of a squadron of "boy scouts" armed with whistles and ropes, since the Sudanese army, as has recently become clear, moves with a minimum of resources in its various units.

Increasing Decline

Based on the above, political analysts think that by seizing Kurmuk, the rebel, John Garang, did away with the spirit of rebellion and discontent that had begun to unite the popular uprising's masses and rally large numbers of them against the two-party coalition government, once the tightening grip of daily suffering had loosened the grip of stubbornly fanatical devotion toward the two parties.

These people assert that the fall of Kurmuk prevented the fall of al-Sadiq's government. The occupation came when time was running out for the government. However, the government knew how to exploit the national pride latent in the Sudanese personality, and this national pride made the Sudanese forget all their sufferings and discontent. For the first commitment of the Sudanese is to the land. Even when a Sudanese has known exile, he still wants to send his pregnant wife to the Sudan to give birth to their child on its soil, despite his knowledge about the shortage of medical facilities in the so-called "hospitals" of the capital. The decisive factor in his mind is that the odor of Sudanese earth should fill the nose of their newborn child and that his lungs should be filled with the red dust.

For the Sudanese, land is honor. When any family member, whether a younger brother, or a cousin, or the father, remains silent in the face of an attack on his honor, his silence stands like a tombstone that remains set up in that family's house, so that no friend comes to it, no relative stays in it, and no traveller has sympathy for it.

So the people dispersed from the bread lines and gasoline lines. Words of anger against "the treacherous rebel" sprang to their lips instead of words of anger against al-Sadiq, "the promise breaker." They began to make

rationalizations for the bottlenecks. Everything had to go for the battle to liberate Kurmuk. Indeed, people—all the people—raced to deduct something from their meager salaries and the sweat of their brows as a result of extra work that they would not have done or been willing to do previously, in order to contribute to support the armed forces. Sudanese women, who like to buy gold jewelry—not only for ornament, but also in case of need on a rainy day—rushed with rare and unhesitating altruism to throw their jewelry into the collection basket. Proceeds exceeding 300 million [Sudanese] pounds were collected overnight.

Thus, one can point confidently to the quarters that have profited from the fall of Kurmuk as follows:

The Ummah Party Al-Sadiq al-Mahdi benefited from the escalated operations of Garang's forces in the South, and their seizure of Kurmuk and Qaysan, in that the discontent, which had been increasing daily against his government, had ceased. This government was leaning on a lame partner. Its other foot was shackled by superficial internal disputes, exchanges of accusations, and a war of paid political announcements. Newspapers were bringing out serious statements launched by this dissident, that dissident, those quarrels—and were being seized.

Analysts go on to say that al-Sadiq, who kept his seat as prime minister—a seat it will not be easy for him to give up again—is not the only beneficiary from Garang's escalation of operations. There are many members of his party who have derived great profit in terms of jobs. Numayri never achieved for the members of the Socialist Union in the ministries what al-Sadiq's ministers have done. Ever since al-Sadiq's accession to power, a process of "Ansarization" of offices has been going on. A qualified government employee who belongs to one of the "houses" of the Ansar order is more entitled to high office than a qualified employee who does not belong, or even an employee who belongs to the Khatmiyah order, the partner in the government.

It would thus be correct to say that Numayri wrecked the civil service for 16 years and that al-Sadiq is using the same tools to wreck it even more. The proposition is supported by the arbitrary decisions that have been issued by a number of ministries, foremost among them the Education and Industry Ministries.

The [Democratic] Unionist Party

The other partner has also benefited to some extent from Garang's occupation of the city of Kurmuk. The initiatives of Ahmad al-Mirghani, head of the Supreme Council, in a number of visits to the operation zone in al-Damazin, his meeting with soldiers, and his inquiry into the dangerous shortage that was paralyzing the armed forces from carrying out their duty in a way consistent with the courage of the individual soldier, together with the movement of his older brother, DUP leader Muhammad 'Uthman al-Mirghani, outside the

borders of the country and his meeting with Iraqi and Libyan officials—these things have had a positive, even a military impact, which played a part—although this has not been publicized—in the liberation of Kurmuk, and had a positive influence in supporting the armed forces.

These two field movements have pleased all the masses of the DUP, both those who still move within its arena in spite of their annoyance with the "submission" of their leaders to the leaders of the Ummah Party, and those who have preferred a negative clinging to the party's shining history, announcing an ineffectual rejection of everything happening in the corridors of the party.

The movements of the Mirghanis have pleased the group of educated people who stand on the "contact line" between the two ruling parties and who keep a greater or lesser distance from the other parties, foremost among them the Muslim Brotherhood and the communists.

A related development is that the parties that broke away from the mother party have been preoccupied by events in Kurmuk, so that the sharpness of the call for a party convention has been moderated—a convention that had been scheduled for last November, then for December, and then for an unspecified date.

The Islamic Front

The NIF's most conspicuous gain from the occupation of Kurmuk is the fact that people of various affiliations are talking, and appreciating how the Front moved rapidly on the operations front and put all its material resources and its deputies' vehicles at the disposal of the military leaders in al-Damazin. This was something unprecedented for any political party—ruling, or opposition, or ideological.

However, the greatest gain which the Front reaped from Kurmuk was the document found in the desk drawer of the secretary of the Communist Party in al-Damazin. Officials have accused him of heading an espionage cell for Garang, a cell which throughout the period of the occupation of Kurmuk had formed a fifth column that had revealed to the rebels the plans and movements of the soldiers of the armed forces, as was stated by Maj Gen Zayn-al-'Abidin Qismallah, commander of the 14th Brigade at al-Damazin.

The NIF press—the front owns several newspapers—devoted itself to firing up people's emotions and anger in al-Damazin and Khartoum against this cell, which has been charged with the most shameful accusation that can be brought against a Sudanese, especially in circumstances such as these, which have united everyone's nationalistic feelings and raised them above narrow partisan affiliations.

The NIF was also able to move its masses and march them through the streets of Omdurman, the national capital, which rises up like one man, even without being stirred, whenever anything threatens the territory of the homeland or offers part of it or of its secrets for sale or hire.

This being the case, the masses [of the capital] shouted demands that the members of the espionage cell be tried, while NIF masses shouted demands during the noisy parade that the Communist Party deputies be expelled from the Constituent Assembly on grounds that the party was conspiring with John Garang through its secretary who had been taken prisoner.

Whatever comes of the discovery of this espionage cell—whether, as has been revealed, all its members turn out to have been communists, or whether there were members of the two ruling parties among them—the legal aspects of the affair will be handled by the security agencies. Fairness in the examination of the grave charge of high treason which has been brought against them will be guaranteed by the Lawyers' Union, which has formed a group to defend the accused and demand that they be tried fairly, without consideration of their party affiliations—which is what the Sudanese masses are demanding after their emotions and anger have been calmed.

The Biggest and Only Victor

The major result of the the occupation of Kurmuk has been the great popular rallying around the people's armed forces. The people have hurried to support these forces with everything valuable and with the efforts of the poor.

Everybody has been equal. All have raced to the contribution centers, not just to support the forces fighting the rebels in Kurmuk, but to support them on an ongoing basis, since the occupation revealed the weakness that Numayri had left behind in the army in terms of equipment, motorized units, and war material.

The popular donations have revealed the strength of character of the Sudanese people and the readiness of everyone without distinction or categorization to pay. For example, an old woman who supports herself by selling head coverings offered the sum of 3 pounds (equivalent to 1.50 [UAE] dirhams). When the official thanked her and tried to return the money to her on the ground that she was more in need of it, she became angry and replied to him with honest emotion, saying: "This sum, which is small in your eyes, is a very great sum in my eyes. It is like your big salary. Donating for the country is not limited to the rich or the government. We poor people have the right to donate. These are things you don't have to study in schools. Our fathers taught us that the country is too valuable for us to be stingy regarding it. Tomorrow we will go away. You, however, stay for ten years in charge of the country."

Another man came bringing 11 pounds and 50 piasters. Asked why the 50 piasters, he replied: "Because this sum is the most I can contribute, and the 50 piasters also will help."

These two examples of contributions had to be recorded. They glow with true Sudanese strength of character and shine with the light of the nationalist upbringing that fathers have spread among their sons to illuminate forever the paths of struggle when a foreign or domestic usurper threatens the country.

The words of the old woman need no comment. As for the 50 piasters that the man added to his contribution, according to the logic of national feeling, they were equal to all the huge monetary sums that the wealthy did not stint.

Anyone who contributes 100,000 [pounds] is doubtlessly well off, but someone who contributes 50 piasters is surely below an adequate means of living and under the poverty level.

There are many like him traveling the rough roads of earning a living in the dry and arid lands of the Sudan.

And so, that was the whisper that circulated during the days when Kurmuk had fallen into the hands of the rebels. Observers believe it prevented the fall of the government of the two parties.

But another whisper has sprung onto some lips after the liberation of Kurmuk—the coarse lips of a number of southerners in the capital. The sounds of this whisper are also coarse and they ask:

Why did Garang's occupation of the city of Kurmuk arouse all the feelings of the northern Sudanese, so that they hurried to give their forces unprecedented support? Why did the Khartoum government use all its apparatus to proclaim a general popular mobilization? Was it because Kurmuk is a northern city?

In the next installment, I will turn up the volume of this whisper.

12937

TUNISIA

Tourism Yields 650 Million Dollars in 1987

London AL-TADAMUN in Arabic 30 Jan 88 p 36

[Text]Revenue from Tunisian tourism between January and November 1987 was approximately 501 million dinars (650 million dollars) versus 355 million during the same period in 1986. This large increase is ascribed to the surge in the number of tourists from 1.32 million in the first 11 months of 1986 to 1.7 million during the same period in 1987. Statistics indicated that the Hammamat area was the most attractive to tourists since they spent 5 million nights in its hotels.

AFGHANISTAN

Anti-Government Forces Reportedly Receive Training in Tehran

46400062b London KEYHAN in Persian 7 Jan 88 p 2

[Text] The Islamic Republic trains some of the anti-government Afghan guerrillas in a special school nearby Tehran and after giving them a short training stint in its war-fronts against Iraq, it dispatches them to the Afghanistan territory for combat of the Soviet communist party, while discussing the meddling of foreign elements in the Afghan guerrilla war, wrote: Until now more than 1200 Afghans have passed training in a special school in the vicinity of Tehran, where they received training in guerrilla warfare and use of various weapons. These individuals, after the end of a 3-month training in the Islamic Republic's Guerrilla Training School are dispatched to the war-fronts against Iraq for gaining further practical experience in the techniques of warfare.

The aforementioned newspaper further wrote: One of the Afghan guerrillas named Seyyed Ahmad, who has passed training in the guerrilla training school, announced that until now more than 100 Afghan guerrillas who have been sent to the Islamic Republic's war-fronts against Iraq, have lost their lives. The practical training period of the Afghan anti-government guerrillas who receive training in the Islamic Republic, at times lasts 10 months.

Furthermore, PRAVDA, with regard to meddling method of foreign elements in the Afghan guerrilla wars, also wrote: At present, more than 85 advisors from France, the United States and other countries assist in training the Afghan guerrillas in their fight against the Soviet and Afghan government army. The aforementioned paper further added: During recent fights regarding breaking of Khowst siege two foreign advisors lost their lives.

12719/12232

Thousands Reportedly Die To Break Khowst Siege

46400062a London KEYHAN in Persian
7 Jan 88 pp 1, 9

[Text] Following the bloodiest battle of the Soviet Union's troops during the past 8 years with the anti-government Afghan Mujaheddin for breaking the siege of Khowst, the government sources in Afghanistan announced that the region's access road have been cleared of the presence of Mujaheddin and until now three caravans of trucks have been able to reach the city of Khowst without any incident.

Last Saturday a spokesman for the government of Afghanistan announced that within 3 days after the breaking the siege of Khowst the third mobile caravan composed of 229 trucks entered the aforementioned city.

According to the claims of the government of Afghanistan, the said caravan of trucks carried 1,398 tons of foodstuffs and other consumable Soviet goods for the inhabitants of Khowst.

The spokesman for the government of Afghanistan added: With the dispatch of foodstuffs and other essential needs to this city, shortage of food supplies which was brought about as a result of an 8-year siege has been duly done away with.

The aforesaid spokesman further stated: The government of Afghanistan plans to send about 10,000 tons of foodstuffs and other consumable goods for the inhabitants of this city within the next few days. At present, between 150 to 200 trucks trek the mountain roads to reach Khowst. The middle of last week Solayman Laeq, minister of Nationalities and Tribal Affairs of Afghanistan announced that the 80 miles distance between Khowst and the provincial capital of Gardez is completely safe and the vehicular traffic on the road is back to normal.

Bani Mohammad Azimi, deputy minister of defense of Afghanistan also announced: Although the military operations for breaking the siege of Khowst have been carried out successfully, yet about 10 kilometers of the mountain roads of this region need to be further cleared of the bothersome elements.

Mowlavi Yunes Khales, chief of the United Guerrilla Factions of Anti-government of Afghanistan, called the claims of the government officials regarding the breaking of the Khowst siege as baseless and further added that the Soviet troops will never be able to reach the city of Khowst.

George Erni, a commentator of the GUARDIAN wrote: The reports from the war fronts bespeak of certain successes for the Afghan government forces and the Soviet troops regarding their combat with the anti-communist warriors. Apparently, the government forces have captured the mountain passes close to the valley of Zadran; however, in order to reach the (?top) of Khowst they need to capture at least 25 more kilometers.

The above-stated commentator goes on to add: Until the end of last week the captured roads were duly repaired by the Soviet troops and they've so far stationed about 100 tanks and a large concentration of troops close to the Mirajan pass. Furthermore, it is reported that some of the Soviet army troops have landed close to the city limit by helicopters.

Some military analysts are of the opinion that if the Soviet troops were able to capture the small town of Saranai, their movement towards Zadran would become easier and they could join their besieged comrades in the garrison of Khowst city.

With regard to ending the 8-year siege of Khowst, HERALD TRIBUNE quoting the Afghan government radio, wrote: Upon the arrival of Afghan troops in the city of Khowst the inhabitants expressed their joy by dancing in the streets.... The aforementioned newspaper further wrote: Despite the claim of government officials of Afghanistan regarding ending the siege of Khowst, Seyyed Baha-Eddin Majruh, chief of the Information Center of Afghanistan in Pakistan told the reporters that the Soviet troops need to capture at least 50 more kilometers in order to be able to join the 12,000 besieged soldiers in that city.

A Western diplomat in New Delhi stated: Although the ending of the 8-year siege of Khowst with the aid of advanced weapons and over 50,000 soldiers was something unavoidable, yet one can easily predict that even the arrival of the Soviet and Afghan government troops in the city of Khowst will not totally break the siege of that city. The aforesaid diplomat told HERALD TRIBUNE correspondent: Between 6- to 10 thousand anti-government Mujaheddin are stationed in various parts of the mountains surrounding the city and they hope to be able to continue their siege by obtaining new weapons and other forms of assistance.

The above-stated diplomat also added: Independent medical sources report that as a result of the attack by the Soviet and Afghan government troops on the city of Khowst, several thousand individuals lost their lives. The hospitals of Khowst are full of injured soldiers and all these medical facilities are faced with a shortage of blood and medicine.

A little while after the arrival of the Soviet troops in Afghanistan the mountainous city of Khowst which is situated close to the Pakistan border, was besieged by the anti-communist Afghan guerrillas, and as of then until a few weeks ago its contact with other parts of Afghanistan was totally discontinued.

The Afghan government sources put the number of Mujaheddin and anti-government guerrillas who fell during the recent attacks by the Soviet troops at about 1600. This claim is denied by the Afghan guerrillas.

The anti-government Afghan guerrillas have announced that the claims of the Soviet officials are mainly propagandistic and that the city of Khowst is still besieged by the anti-communist warriors.

12719/12232

IRAN

Reconstruction Jihad Official Details Dry Farming Programs

46400078 Tehran ETTELA'AT in Persian
30 Dec 87 p 4

[Interview with Engineer Rabi' Fallah, head of the agricultural committee of the Reconstruction Jihad, by ETTELA'AT; date and place not specified]

[Text] This statement was made by Engineer Rabi' Fallah, head of the agricultural committee of the Reconstruction Jihad, in an interview with ETTELA'AT's economic service reporter.

He also explained the latest progress and steps taken by this institution in the area of increasing the dry-farmed wheat crops and expressed his views concerning the essential problems of agriculture in the country. The details of this interview follow:

First, concerning the agricultural activities of the Reconstruction Jihad and its goals, Engineer Fallah said: The activities of the Reconstruction Jihad upon its establishment began with the two grand goals of establishing social justice and creating a movement in the villages as the basis for development. In order to establish social justice in the villages, it was necessary to confront the problems from two perspectives. First, was to eliminate oppression, so that the villages and villagers would be considered independent and effective in all economic, political, social and cultural aspects. Then, considering the realistic views of the Jihad in regards to the issue of the villages and cities and the directives of the grand leader of the Islamic revolution as well as the deputy leader, who have frequently stated that the agriculture is the most important issue after the war, and also the government that has made agriculture the axis of the economic development of the country, we have also established rural development and (agricultural) production as goals in the developmental plans which we intend to carry out.

He then said that the Reconstruction Jihad has, from its inception, put into practice its views regarding the importance of agriculture. He said: From its inception, the Reconstruction Jihad has mobilized and sent forces to the villages to help the villagers in agriculture, and it has helped them in the most elementary of matters, that is, harvesting. In the following years, too, by offering all agricultural services, including the distribution of seeds, fertilizers, fuel, parts and machinery, with consideration for the particular conditions of the revolution, the needs of the people and the recommendation of the authorities, it took charge of most agricultural matters. In this way, the Jihad established its permanent presence at the side of the farmers.

He added: After four years of continuous work in agriculture, considering the needs of the country in the area of self-sufficiency and in terms of foodstuff and the preservation of independence, which are among our essential mottoes, we found mid-term planning necessary. The second phase of the agricultural activities of the Jihad stemmed from the fact that the Jihad had to be active in agricultural planning and policy making in order to have a presence in the villages. To this end, with the efforts of the honorable prime minister, responsibilities were divided among the Ministry of Agriculture and the Reconstruction Jihad. Accordingly, the responsibility for the development of some agricultural items was

conferred on the Reconstruction Jihad, and for the first time, in 1364 [21 March 1985-20 March 1986], we were allotted funds on the basis of the division of duties and allowed to engage in our particular projects. These projects and duties included supporting and developing dry-farmed wheat and fodder. We were also given the responsibility for the revitalization and operation of tribal pastures, for which we received the largest funds in 1364 [1985-86].

Dry-Farmed Wheat

He then explained the measures taken and the future programs of the Jihad in the area of the responsibilities of this institution concerning agriculture. First, in regards to the cultivation of dry-farmed wheat, he said: Wheat is the most important, vital product of the country, considering our food consumption model. This is why the responsibility for dry-farmed wheat was conferred on the Reconstruction Jihad by the government. In regards to dry-farmed wheat, the "Senabel 1" project began in 1363 [21 March 1984-20 March 1985]. In the 1363-64 [1984-85] agricultural year, wheat production increased by 180,000 tons, and in the 1364-65 [1985-86] agricultural year, by 400,000 tons, compared to the previous year, as a result of the farming improvement operations (Senabel 1). He added: Of course, numerous factors are involved in the production increase, including sufficient rainfall to irrigate the dry-farm lands that year. In 1365-66 [1986-87], an evaluation of the Senabel 1 and 2 projects revealed that these projects have been successful, and through technical operations and physical work in the farms, the Jihad was able to prevent a 400,000-ton decrease in production in a low-rainfall year, such as this year.

Engineer Fallah added: In the areas where the Senabel 1 and 2 plans have been carried out, there has been a difference of 400-500 kg per hectare compared to other lands. On the whole, the lands on which the Senabel projects have been implemented have had greater yields.

He then described the Senabel projects as unprecedented, the most successful developmental projects, which have been able to return a high yield in a short period of time.

Also, he announced the highest (record) mid-harvest of dry-farmed wheat this year and said:

In regards to dry-farmed wheat in humid areas, the record was 5 tons harvested per hectare, and in dry areas, the record was 3.5 tons. These are significant figures.

Concerning the reduction of losses as a result of diseases in the wheat farms of the country, he explained: The statistics presented in 1363 [1984-85] by the Ministry of Agriculture indicate the losses resulting from evident

and non-evident brown rust throughout the wheat farms of the country as 900,000 tons. Now, we should have very few cases. This shows the efforts to eradicate this disease.

Fodder Production

Then, concerning the efforts to increase fodder production, the head of the agricultural committee of the Reconstruction Jihad said: The development and support of fodder cultivation in the country is another agricultural duty of the Reconstruction Jihad. Plans have been implemented in the following five areas from 1364 to 1366 [1985-1986/87]: (1) The development of seed corn and fodder corn, (2) the change of low-yield dry-farm lands to pastures, (3) the improvement of irrigated barley, (4) the development and improvement of alfalfa and goudweed, and (5) the development of clover as a second crop on the rice fields of the country.

Emphasizing the importance of fodder production in providing the protein needed in the country, he said: In order to provide protein, one of two measures can be taken. First is fodder cultivation. Another is the utilization of pastures. The pastures of the country produce about 4 million tons of dried fodder and 2-2.5 million tons of cultivated fodder, which brings domestic production to about 6.5 million tons. But the country needs about 25 million tons of fodder.

He added: Considering the need to procure protein and the existing shortage of dried fodder, improvements in the area of fodder have been carried out with the goals of providing the raw materials to feed livestock in order to satisfy the protein need of the country, improving the quality of nutrition in villages by increasing rural incomes, improving living conditions, and creating employment in the country.

Engineer Rabi'i Fallah then listed the executive policies for increasing fodder production as follows:

Support and development of animal husbandry in the country; emphasis on and support of domestic fodder production; maximal and proper use of existing lands and the development of fodder as a second crop, such as the cultivation of corn and clover; development of under-tree crops such as alfalfa; alternation and combination farming; replacement with rotation farming; the use of small plots of land in mountain areas, which are not economical for other strategic cultivation; increasing fodder production through increasing cultivated lands; and trying to reduce fodder losses by relying on the people.

Concerning the increase in the production of seed corn and its importance, the head of the agricultural committee of the Reconstruction Jihad said: In the area of the development of fodder cultivation, we consider seed corn to be the most important product, given the needs of the country. Conditions were such that in 1363

[1984-85] the land under cultivation for this product did not exceed 5,000 hectares, with an average yield of less than 2.5 tons per hectare. But in 1366 [21 March 1987-20 March 1988], the land under cultivation for this product increased to 42,000 hectares (with an average yield of 4 tons per hectare).

He added: The country needs more than 1.5 million tons of this product annually, and presently imports about 1 million tons of it. Calculating its price (about \$300 per ton), about \$300 million is spent annually on importing corn. Today, most of the countries of the world do not even want to sell corn seed, because corn is a factor in production, and they prefer to export the meat and other protein products they produce.

Emphasizing that our country has the best conditions in the world to produce corn, he said: In a short period of time, we have had an increase of 800 percent in cultivated land and an operation increase (output) of 150 percent. It is necessary for the officials to eliminate the problems and shortcomings that exist in the production of this essential product, because in the world today, after wheat, corn is considered the most important strategic product. Continuing his explanation, the head of the agricultural committee of the Reconstruction Jihad referred to the import of corn without regard for domestic production. Complaining in this regard, he said: This year, the Reconstruction Jihad faced problems in the area of the development of corn cultivation. Unfortunately, the officials opted to solve the problem the easy way, by importing 1 million tons of corn, and no organization was willing to purchase the corn produced by farmers and producers at the fair price which had been set. Such decisions inflict much damage on the farmers. Import policies must be coordinated with domestic production, so that we do not witness such problems as those we faced with domestic and imported corn.

Then, declaring the commitment of the agricultural committee of the Reconstruction Jihad to increase corn production next year, he said: The Reconstruction Jihad announces that it will increase corn production next year from 160,000 tons to 250,000 tons. We request of the officials of the country that they pay particular attention in policy making to imports which might interfere with domestic production and its role in increasing the income of the villagers and its increased value.

He added: Even if some of the secondary problems are eliminated, under emergency circumstances, the possibility exists of increasing this figure to up to 400,000 tons in 1367 [21 March 1988-20 March 1989].

Then, stating that the above-mentioned production conditions exist while 80 percent of the corn production of the country is presently cultivated as a second crop, he pointed out: The Reconstruction Jihad is committed to making plans for corn to replace other strategic crops.

Engineer Fallah also announced: This year in the provinces of Esfahan and Fars, every hectare of the farms (not research and training conditions), yielded between 10 and 12 tons of corn. This figure is even higher than the world standards and records and shows the developmental ability and potential of the Reconstruction Jihad in the area of strategic products. This can serve as a model for the development of other products.

Concerning the increase in land for the cultivation of fodder corn and the average harvest of this product in the country, he said: In view of the lack of a clear policy in animal husbandry, and even though an average of 40 tons of fodder corn per hectare is produced, and in some instances 70 to 80 tons have been produced, unfortunately, the actual position of this product has not been determined, with regard to some of the problems and needs. But with the efforts of the Jihad in this area, land for the cultivation of fodder corn will increase from 10,000 hectares to 25,000 in 1367 [21 March 1988-20 March 1989]. Concerning the changing of low-production dry farm lands to fodder cultivation areas, the head of the agricultural committee of the Reconstruction Jihad said: This plan is being implemented and the Jihad intends to gradually stop the production of dry-farmed wheat on lands that are used for this purpose at the present and allot them to fodder production. In this connection, in 1366 [1987-88], nearly another 60,000 hectares of these lands will be cultivated for fodder.

Continuing this interview, concerning the development of clover cultivation as the second crop on rice fields, Engineer Fallah said: This cultivation is simple, and given the moisture that exists in rice fields, only clover seeds are spread in those areas. The Jihad has had significant activity in this area. The area under cultivation increased from less than 20,000 hectares in 1363 [1984-85] to 50,000 hectares in 1366 [1987-88] and will reach 68,000 hectares in 1367 [1988-89].

He stated that considering that every hectare produces an average of 15 tons of green fodder, the production of this kind of fodder has increased significantly. Explaining the advantages of clover crops in the rice fields, he said: One of the advantages of this cultivation is that in addition to fodder production, the quality of the soil improves significantly. In farms which cultivate clover in the fall, the use of "azote" fertilizer is minimal.

Agricultural Problems of the Country

Then, listing the essential agricultural problems of the country, Engineer Fallah first pointed out the lack of a proper agricultural policy with consideration for the conditions and needs of the country in this area and said: Lack of proper planning to utilize the production potential of the country with regard to the special conditions of every region and appropriate to its economic and social conditions, as well as the lack of activity and

usefulness of the traditional developmental system of the country, which does not conform to the revolutionary conditions of our country, are crucial agricultural problems.

He added: Lack of accurate data concerning cultivated land and other production related to agricultural products, lack of timely and sufficient procurement of the necessary materials for farmers, improper use of institutions, lack of accurate, comprehensive research in the agricultural sector, and lack of sufficient communication between development and research centers, as well as lack of communication between research and educational centers can be cited as other important problems in the agricultural sector of Iran. 10000

Interview With Bank Melli's General Director
46400060 Tehran ABRAR in Persian 7 Nov 87 p 2

[Interview with Najafi, general director of Bank Melli, by ABRAR; date and place not specified]

[Text] News service

Today, by changing the cultural and economic roots, the Islamic Republic has proven to the world that the slogan of death to America makes political and economic common sense.

Najafi, the director general of Bank Melli of Iran, made the above statement in an interview with our correspondent and said: The Islamic Republic, which in its political dimension has brought the world today under its will, can scientifically prove to the world that it has progressed in all the economic sectors at least as much as it has in politics.

He then compared the banking system of the previous regime with the present banking system and said: In the past regime, nearly all the facilities and loans made by the banks in the country were at the disposal of the leaders of the previous regime and the royal family. It can be proven that all the wealth and property that they now have abroad is the result of acquiring uncontrolled credit and taking undue advantage of the banking system in the past. But the present banking system is at the service of the oppressed. It is proud to say that it is even opening branches at the top of the mountains along the Kurdistan border which are only accessible by mountain climbing.

He then referred to the deposits of Bank Melli of Iran and said: The figures indicate that the balance of the deposits of Bank Melli of Iran at the end of 1357 [March 1979] were 759 billion rials, which at the present have increased to 1,304 billion rials.

He added: The agricultural funds at the end of Shahrivar [September] this year, with an increase of 432 percent compared to the years prior to the revolution, have reached 202 billion rials. And in the area of industry, we have had a 66-percent increase in banking funds.

The director general of Bank Melli of Iran then referred to the implementation of the interest-free banking operations in the banking system of the Islamic Republic of Iran and said: From 1365 [21 March 1986-20 March 1987] on, 65 billion rials have been paid for the expansion of production cooperatives and people's cooperatives, with the exception of the housing cooperatives.

He said: The Bank Melli investment crusade is studying the oppressed areas of the country in order to increase their economic capability. In the same connection, we are also studying a 33-billion-rial Shahid Foundation project. Since the beginning of last year, more than 9 billion rials have been collected from the previously uncollected funds owed to the treasury, some of which was held by such plunderers as Akhavan-Kashani.

He continued: Bank Melli of Iran, which has not changed personnel since the beginning of the revolution, has increased its activities a thousand fold. It pays salaries to more than 1,900,000 persons every month, and the revolving government accounts payable and receivable, water and electricity, taxes and traffic fines in the bank since 1365 [1986-87] amount to more than 20,000 billion rials.

In conclusion, referring to the economic embargo by the superpowers, he said: We consider the presence of the superpowers and the economic embargo a blessing. Thus far, we have shown that we have become more active and powerful under the economic embargo.

10000

1988 Budget Bill Presented to Majlis
46400063a London KEYHAN in Persian
7 Jan 88 pp 1, 8

[Text] Mir Hoseyn Musavi, prime minister of the Islamic Republic at the beginning of last week presented the budget bill of 1367 [21 March 1988 - 20 March 1989] to the Islamic Consultative Assembly [Majlis]. While making comparison between the current year's budget and that of the next year, Mir Hoseyn Musavi stated: In the next year's budget, the ratio of occupational tax to that levied on salaries is estimated to be about one-quarter, which for the first time shows a significant increase. Furthermore, the inclusion of value added tax in the 1367 budget can bring about a remarkable change in our financial affairs.

In one part of his speech the prime minister of the Islamic Republic said: In the next year's budget the foreign exchange quota for the essential goods have been

increased from \$1.35 billion to \$1.9 billion. This will have an effect in controlling the prices and create a change for the better in government drafts.

With regard to the main lines predicted in the next year's budget he further said: This bill has certain peculiarities as follows:

1. During 1367 the government's efforts regarding creating a healthy environment for revenue-generating processes for the budget will continue and the share of non-oil income within the total government's income will increase by more than 65 percent.

2. In the budget of 1367, an emphasis has been made to bring about a gradual reduction in the total volume of the government's general budget and on the other hand, all the efforts are focused on the necessary structural changes within the opposing sectors as well. That is to say, the volume of the running expenditures in 1367 has been estimated to be the same as the previous year's, which in reality amounts to a reduction of expenditures at fixed prices.

3. In estimating the government's development credits for 1367 with regard to the predetermined priorities, an effort has been made to provide the maximum required budget for those projects which are close to the completion phase in 1367.

4. For the first time the government executive program together with the budget bill of the next year is presented to the Islamic Consultative Assembly.

5. With due consideration to the role of the proper knowledge of the situation and the foreign exchange needs, in deciding the state's budget, the foreign exchange budget of the next year will be presented to Majlis together with the general budget bill.

While presenting the budget bill for next year, Mir Hoseyn Musavi in one part of his speech addressing the Majlis representatives, stated: The government is determined to put all its possibilities at the service of the war. The next goal of the new plan focuses on priorities for agriculture and an increase of the products of this sector.

12719/12232

Value Added Tax Bill To Combat Tax Evasions
46400061a Tehran ABRAR in Persian 24 Nov 87 p 2

[Text] The minister of economic affairs and finance announced: More than 31 companies under various names were engaged in various activities under the control of the Nabovvat Foundation. Most of these companies, which were operating on the surface as nonprofit organizations, lacked official books, and, by not paying any taxes, have taken undue advantage amounting to billions of rials.

Iravani, the minister of economic affairs and finance, who spoke to representatives of the Islamic societies at the Islamic propaganda organization of Tehran, also added: While our country is at war with the superpowers and their functionaries in the region, we cannot allow a number of people to betray the goals of the revolution of our country and engage in plundering public property.

He pointed out: At the present time, a number of people, under Islamic pretexts and other various covers hiding anti-Islamic deeds, have been able to take undue advantage of the lack of legislation in a given area or the war to gain huge profits.

Iravani pointed out: At the present, certain phenomena have arisen on the basis of which political groups or political elements have created economic bases to provide for their political future, allowing them to make financial gains to achieve their goals.

The minister of economic affairs and finance added: For example, the Nabovvat Foundation essentially has not had official books and, with more than 31 companies under different names, has been able to shuffle the documents of these companies from place to place. He said: For 1365 [21 March 1986-20 March 1987] alone, that foundation owes the government 8,311,000,000 rials in taxes.

According to the minister of economic affairs and finance, in order to achieve its goals, this foundation would affiliate itself with an authority or an institution and take advantage of the name to influence distribution and pricing and would evade the payment of taxes.

He added: Another ruse employed by this foundation was the transferral of a number of the shares of the companies to institutions, in exchange for which it received raw materials. It would then sell them on the open market at several times the price. For example, one of these companies in the industrial and commercial complex of "Payam-e Mab'as" has presented itself as being affiliated with the families of the martyrs and has used sacred emblems on its stationary.

The minister of economic affairs and finance verified that this person is Seyyed 'Ali Musavi-Qomi, who has also confessed to six adulteries so far. By using huge profits, he intended to establish a university and a zoo.

In another part of his speech, stating that only the salaried stratum pays its taxes on time, he said: Considering the statistics and economic indices, this can be verified, since much of the gross product of the country is spent in the services sector, which is a factor in tax evasion.

Iravani emphasized: After much investigation, the bill on value added taxes has been prepared, on the basis of which tax evasion will be prevented. According to this bill, if the tax rate increases, the mechanism of tax

collection changes automatically, and the level of tax receivables increases proportionately. On the other hand, with returning the taxes that are carried out with consideration for the economic model of the society, the consumer will prevent tax evasion in other sectors [as published].

10000

Young Industrial Production Plants Said in Need of Financial Help

46400061b Tehran ABRAR in Persian 24 Nov 87 p 8

[Interview with Abolqasem Aspari, general manager of "Iran Putin" company, by ABRAR; date and place not specified]

[Text] A human being needs certain equipment with which to prepare himself to confront the natural elements. The most urgent of these needs are for such items as clothing, shoes, and hats.

Of course, in today's world, in which all machinery has become more advanced, such equipment must not only be more complete but also safe.

Thus, in order to be safe from accidents while working in industrial factories or doing agricultural or construction work, one needs shoes, hats and work clothes. Such items are required to be manufactured for safety and endurance and put at the disposal of the consumer. In this connection, some companies have been established and have begun operation to manufacture this kind of equipment. Among them, "Iran Putin" company can be mentioned.

In order to get more information in this area and to fully learn about the manufacturing and the activities of this company, we spoke with Mr Abolqasem Aspari, the general manager of the "Iran Putin" company.

[Question] Please introduce yourself and give a brief history of the company since its establishment.

[Answer] In the name of God the compassionate and the merciful.

I am Abolqasem Aspari. The Iran Putin company, which was previously called R.S.R. international—R.S.R. is short for Reza'i, Aspari and Rezazadeh—was registered in Tehran on 14/6/1359 [5 September 1980]. At that time, we acquired a permit from the Ministry of Industries to manufacture plastic boots. At the same time, upon our request for an industrial town, they put a plot of land of 6,600 square meters at our disposal and we began to build the main part of the factory. We received some forms by mail from Austria to receive machinery. We sent these forms to the Ministry of Industries to acquire a permit to import machinery from abroad.

[Question] Tell us, what was your motive in building this factory?

[Answer] In 1358 [21 March 1979-20 March 1980], I made a trip to Germany. I began to think that since very few safety boots and safety shoes are manufactured in our country, there was a problem in Iran in terms of safety. For this reason, I went to Germany to visit several factories that produced safety shoes and became familiar with production aspects first hand. I thought to establish a safety shoe factory in Iran in order to be able to serve the workers and the oppressed people.

[Question] Tell us, in what areas is the company most active?

[Answer] Our company, which has recently changed its name to "Iran Putin" company, produces athletic, industrial and agricultural shoes as well as shoes for comfort, and it procures and produces its own materials. We are able to produce 10,000 pairs per day in 3 shifts, which is a significant number. The products of this company are standardized, to conform to international standards, such as those of Germany and England. In fact, the standards institute decided to give us a commendation for the products of our company.

[Question] With what organization or ministry are you affiliated?

[Answer] Part of what is produced by the company is placed directly at the disposal of the military, which then distributes it. Of course, considering the imposed war, most of our products are placed at the disposal of the army. On the whole, our products are placed at the disposal of the army. A share is also allotted to urban and rural cooperatives. In regards to raw materials, I must say that during the period from 1361 to 1364 [21 March 1982-20 March 1986], we had very few problems. Our problems began mostly in 1365 [21 March 1986-20 March 1987] and increased after that. Of course, I must point out that procuring raw materials is not at all difficult for us. However, financial problems have made it somewhat difficult for us. To procure raw materials for this company requires a budget five times that of 1364 [21 March 1985-20 March 1986]. With a plan that has been announced and offered by the Ministry of Industries, in exchange for its exports, this company can procure materials. The fact is that our greatest problem is financial. Unfortunately, the banks with which we deal ignore this problem. The funds offered to this company are the same as those of 1364 [1985-86]. The price of P.V.C., which we received in 1365 [1986-87] from the petrochemical [company], has increased greatly. For example, in 1364 [1985-86], we bought a kg of P.V.C. for 95 rials. However, at the present time, we must pay about 600 rials. Here, you should look at the percentage of price increase compared to 1364 [1985-86]. On the other hand, the work of this company, according to the regulations that have been established recently by the Central Bank in regards to export dollars for 350 rials,

that is, 500 percent, and 420 rials which with the other expenses costs about 550 rials in the Iranian customs [as published]. You can see that the funds that were given us were based on those of 1364 [1985-86]. In other words, the material that I want to buy today, I could buy yesterday for 2.5 million rials a month, but today I must pay 250 million rials for one month's worth of material for the factory. And this factory is geared so that it must always have the raw materials for two years on hand.

A factory must always plan for the future, but today we are not even able to plan for two months. This is our greatest problem. The "Iran Putin" company considers its financial problem to be a major one. In this connection, it has many problems. For example, we have some troublesome problems of this sort regarding the certain centers created for us to which we have to send forms for verification. The price that we specify as \$700 for a ton of raw materials the center approves at \$600. Well, of course this problem has always existed. When the center approved P.V.C. at \$700, we purchased it for \$800, and if it approved it for \$800, we bought it for \$900. This is the greatest problem that these centers have created for us.

[Question] In connection with the problem that you referred to, what proposal do you have, or what do you expect from the officials?

[Answer] In my opinion, when an investment has been made somewhere, it must be supported and put into operation. For example, regarding the "Iran Putin" factory, in which a great deal of money has been invested, the officials must pay some attention and try to aid its operation. Of course, problems can be resolved somehow and the factory can be activated.

For example, the Commerce Bank has placed 150 million rials at the disposal of the factory. Previously, they had sent us a letter informing us that they would make an investment of 30 percent. But, for the supposed 70-percent investment, which in actuality has been proven to be about 1.3 to 1.4 million rials, you see that the bank has invested only about 10 percent. On the other side of the issue, which is the purchase of raw materials, we have not been given any assistance in fact. If the banks are able to look upon a young company like Iran Putin with a more open vision, we can be more hopeful. For instance, the machinery that we have imported from abroad and installed in the factory belongs to this nation. These represent the investments of the country, and foreign currency has been sent abroad for them. Every dollar that has left the country is like a drop of the blood of all the members of this society. And now the machines that have been procured in this manner are either left idle or are only used occasionally. Well, if we are helped, our company can produce good exports, because our products conform to foreign standards. Our products can compete with those of foreign countries such as Japan, Germany, and Austria and Western countries. The Eastern countries have a lower quality and I do not intend to

export the products of the company to Eastern countries. Our goal is to export our products to Western countries. And we will compete with them on the international markets, because, firstly, our molds are all foreign, our machines have been imported from abroad, and what we produce today is not a bit different from its foreign counterpart.

The problem that exists in this connection is the problem of raw materials. Raw materials are available and can be procured. But, as I said earlier, the shoe industry requires 12 kinds of material. Which is to say that if we do not have these 12 kinds, we absolutely cannot produce. Even if we are one item short, the factory cannot operate and produce. For the factory to stop producing is treason to this country. And if we are unable to procure raw materials, we have betrayed the people. Look at the other side of the issue. People do not look at the issue clearly. I believe that such group factories must be strengthened. A factory that has just started operation is like a child who has just started to walk: If he is not helped, he falls, which might cause him to become crippled or to end up in a greater tragedy. I think one of the ways that exist at the present time is participation in the operation and production of the factories.

Then, the Islamic banking conditions and regulations can create an interesting movement and help the young companies under certain conditions to serve the Islamic society better. A bank can put funds at their disposal, directly participate with them, and have a share in this connection. Of course, well, we must all join hands in order to succeed, because the problems are many, and it would be impossible without cooperation.

Given the fact that the factory produces raw materials itself, the Ministry of Industries has authorized 30 tons. We must wait our turn for six months in order to be able to receive our material.

[Question] Tell us, from where and how are the raw materials for the factory procured?

[Answer] We acquired a permit in 1358 [21 March 1979-20 March 1980]. At that time, our raw materials, such as P.V.C. and (diupi) oil, were produced in Iran. The Abadan petrochemical plant produced this material (P.V.C.), and we procured some of the fabric domestically. But, with the start of the imposed war, the greatest problem was created for us. That aggressive country (Iraq) caused us to become completely dependent on foreign countries. In other words, we have to import P.V.C. from Eastern or Western countries. The same is true for oil, and we procure the thread from Japan. We order the lining domestically, and then we have to get authorization from the Ministry of Industries. As a result, all of our material is foreign, simply because of the problems of the war. We import steel toes from Italy. We are trying to produce steel toes domestically. In connection with raw materials and self-sufficiency, I have

talked with the people in the petrochemical industry. The expressed hope is that once the Arak petrochemical plant becomes operational, P.V.C. will be procured domestically.

10000

Official on Pardon of Prisoners, Prison Programs

46400079a Tehran ETTELA'AT in Persian

30 Dec 87 p 2

[Text] News Service—Hojjat ol-Eslam Majid Ansari, chief of the National Prisons, Procurement and Training Organization, gave an exclusive interview to ETTELA'AT in which he answered our correspondent's questions concerning the Prison Organization's recent activities and the procedure for pardoning ordinary and mini-group prisoners. He said: On the anniversary of the triumph of the Islamic revolution a large number of ordinary prisoners will be pardoned or have their sentences reduced. The pardon list for mini-group prisoners is being studied and will be executed if approved.

Text of the ETTELA'AT judiciary correspondent's interview with the chief of the National Prisons, Procurement and Training Organization follows below.

ETTELA'AT: What changes have been made in the country's prisons since the formation of the National Prisons, Procurement and Training Organization?

Chief of the Prisons Organization: The first change that was made in the nation's prisons was the creation of a single and unified directorate of prisons and detention facilities throughout the nation under the Prisons Organization. On the other hand, there are a number of new guidelines on how to administer the prisons, how to treat prisoners, and various other issues.

He added: In the past a number of different organizations managed the prisons, and this led to a number of different prison management styles in the country. However, with the formation of the Prisons Organization, we have achieved relative unity in the area of prison management.

Another development since the formation of this organization is the effort to improve prisoner welfare by repairing prisons, the creation of hygienic prisons, the expansion of health care, exercise, educational and employment facilities, and the formation of daily programs for prisoners to make use of their own time, and in this area effective measures have been taken.

Arrangements have also been made so that prisoners can meet more often with their families, both inside and outside the prison.

Other new Prisons Organization programs include sending qualified prisoners to various ceremonies and art, exercise, and academic camps.

Hojjat ol-Eslam Ansari noted: It has been less than two years since the Prisons Organization was formed, and it has inherited a heavy burden of problems connected with prison issues, and the organization's previous measures are definitely no answer to present needs. In view of the organizations that have been formed during this period in Tehran and the nation's provinces, we hope that fruitful results from these measures will be more apparent in the future, and, God willing, the prisons will reach a good position with regard to management.

ETTELA'AT: What group of prisoners will be included in the study of prisoners applying for pardons, and what is the nature of this study?

Hojjat ol-Eslam Ansari: Prisoners are divided into two groups. The first group are those prisoners who are convicted of general crimes and narcotics offenses.

The second group are those affiliated with the counter-revolutionary mini-groups, and special conditions for pardon apply in each case.

He discussed pardons for prisoners in the first group with our correspondent. He said: There will be two types of pardons for this group of prisoners. Sometimes general pardon will be announced by His Holiness the Imam or a deputy of the leadership on various occasions, or there will be pardons on the recommendation of the prosecutors and prisons, to be approved by His Holiness the Imam's Pardons Board and implemented upon confirmation by the leader of the revolution or a deputy of the leadership.

Mr. Ansari noted: In the evaluation of ordinary prisoners eligible for pardons, the views of the prison and the prosecutor are sufficient, and the evidence considered will be the prisoner's moral and cognitive soundness.

Likewise, there should be relative assurance of the the prisoner's repentance of his former crimes, and the relevant officials should be able to see a bright future for the prisoner.

With regard to the pardon of mini-group prisoners, the chief of the Prisons Organization said: In this area, pardons will only be granted on a case-by-case basis and the status of the prisoners will be studied by the relevant prison and prosecuting officials.

Various departments in the prison, such as the educational department, will likewise express their views. Then the views expressed will be monitored by the Ministry of Intelligence. If the prison, the prosecutor and the Ministry of Intelligence are in agreement, the list will be sent to His Holiness the Imam's Pardons Board, or a pardons book will be sent to the National Supreme Court, and after a final study it will be sent for final approval and implementation to His Holiness the Imam or Ayatollah al-Ozma Montazeri.

Continuing his remarks, Hojjat ol-Eslam Ansari added: The criterion for pardoning prisoners is cognitive and ethical reform.

If the necessary proof is furnished that mini-group affiliates have learned to hate and despise the belligerent group with which they were affiliated, and if officials believe that their release will not harm either them or Islamic society, then they will be eligible for pardon.

He stressed: A list of mini-group prisoners who have become eligible for pardon has been prepared. It is going through its final study, and will be implemented after final approval. Such pardons will be given to mini-group prisoners periodically.

Many Ordinary Prisoners To Be Pardoned on Revolution Day

He noted: For God's day 22 Bahman [11 February], the anniversary of the triumph of the Islamic revolution, His Holiness the Imam's Pardons Board is compiling a pardon table, the details of which will be announced after approval by Ayatollah al-'Ozma Montazeri.

Mr Ansari told our correspondent: Pardons will be either complete pardons or sentence reductions, and under this system a large number of ordinary prisoners will be pardoned on the anniversary of the Islamic revolution.

ETTELA'AT: What effect do the measures and activities of the Prisons Organization have on the nation's prisoners and detainees?

Hojjat ol-Eslam Ansari: According to the law enacted by the Majlis, the management of all prisons and detention facilities is to be done by this organization and it therefore has complete authority over prisoners, although some ministries and organizations have temporary detention facilities which have not yet been turned over to this organization. In this regard, on the basis of the recent guidelines from the Supreme Judicial Council, such detention facilities will be turned over to this organization.

He added: Convicts and criminals from the Armed Forces Justice Organization are also supervised by this organization, and their prison is separate.

Hojjat ol-Eslam Ansari said to ETELA'AT's judicial correspondent: This organization has a general office for each of the nation's provinces. The Tehran office of prisoner affairs is under the Prisons Organization, the provinces of Kohgiluyeh and Boyer Ahmad are under the Fars Province general office, and the province of Chahar Mahal-e Bakhtiari is under the Esfahan Province general office. Separate offices are operated in some areas, such as the municipalities of Qom and Qazvin.

Improvement of Prison Conditions

ETTELA'AT: What plans have been made to improve prison conditions?

Chief of the Prisons Organization: We are carrying out extensive programs to reach this objective, which are being implemented in view of the amount of resources the organization has available and according to a timetable. In general, these programs include: Construction and organization measures to provide suitable environments, health care measures to increase treatment facilities, the creation and increase of factories and work places for employing prisoners, and extensive educational and cultural programs. Some of these programs create income to an extent, and we have more extensive projects underway to be carried out throughout the country at the appropriate time.

Prisoner Literacy Training and Continuing Education

ETTELA'AT: What measures have been taken for prisoner continuing education and the creation of literacy classes?

Hojjat ol-Eslam Ansari: We have had significant success in this area, and with the cooperation of the Ministry of Education and Training we have operated secondary continuing education classes in some of the prisons. Examinations have also been given, and such students have also obtained the appropriate credentials. Schools have also been established in the detention centers for juvenile delinquents, and they have been well received.

At the same time literacy classes have been established in the prisons with cooperation from the Prisons Organization Cultural Office, and a large number of people have passed examinations and received the appropriate credentials.

He added: In this connection we have proposed to the Supreme Judicial Council that illiterate prisoners be required to attend literacy classes. If accepted by the His Holiness the Imam's Pardons Board, one of the conditions for pardon will be this very thing, and consequently literacy training will expand in the country's prisons.

Mr Ansari noted: Currently, in order to encourage illiterate prisoners, we make use of our own prerogatives, granting more privileges such as leave and visit time in exchange for participation in literacy training classes, and this has been effective.

The chief of the Prisons Organization discussed continuing education for mini-group prisoners who have been in the universities. He said: We have made arrangements with the Cultural Revolution Council to have a committee study all the suspension files.

With regard to the files of university students whose files were suspended because of prison and arrest records, arrangements have been made so that an opinion from the appropriate prosecutor with the Ministry of Intelligence and the Prisons Organization can have an effect in returning the student to the university and continuing his education. A unit has therefore been formed in the Prisons Organization connected with this issue, and we have answered many inquiries. We have confirmed the competence of many university student prisoners in view of what they have done in the prison, and they have been able to continue their studies.

Prisoner and Prisoner Family Welfare Issues

ETTELA'AT: Have serious measures been taken concerning the welfare of prisoners and their families?

Chief of the Prisons Organization: Unfortunately the first victims of crime and the crimes of criminals are their families, especially those of smugglers and narcotics crimes who, in addition to themselves, expose their own oppressed families to disintegration and destruction in a filthy and deadly trade. Naturally, we cannot replace a lost family head emotionally, psychologically and economically in the way that the head of the family could do.

In any case, the families as such are innocent in the commission of the criminal's crimes, and some are faced with severe poverty. In every city in which we have a prison we have formed a prisoner protection society which operates under this organization's supervision, and needy families may refer to these societies. After investigation, relief workers provide support for those applying for aid and provide them a monthly stipend. This stipend meets part of the prisoner family's needs. In this regard, money is paid to them for heating fuel, education and New Year's gifts. We have helped needy families within the limits of our resources.

We have a project being implemented called the Prisoner Family Employment Project, under which, upon approval and implementation, there will be a significant reduction in the problems of prisoner families.

ETTELA'AT: Have special programs been prepared for reducing crime and reforming prisoners, especially juvenile delinquents?

Hojjat ol-Eslam Ansari: Cultural and art activities are being carried out in the prisons, and the systematic formation of education and employment classes for prisoners, which is being done extensively, has been useful to an extent in reforming them.

Likewise, the Prisons Organization has organized good programs using exercise instructors, and athletic contests in various areas are held periodically.

He stressed: If a prisoner is reformed, the level of his crimes will be automatically reduced, but the Prisons Organization can only deal with part of this problem.

The appropriate officials must make a profound study of problems outside the prison and take appropriate measures for every factor.

Hojjat ol-Eslam Ansari told our correspondent: In this regard, for the purpose of evaluating and finding the causes of criminals turning to various crimes, the Prisons Organization has opened an office called the Projects and Statistics Office, charged with conducting criminology studies in the prisons. However, this office has begun its work only recently. There are plans to equip this office with a computer and with the use of computer services, in the near future forms will be distributed among the prisoners. When these forms are completed we will be able to compile precise statistics and intelligence on criminals for criminology studies. In this regard, some university professors and students are working with the Prisons Organization.

He called upon experts in educational, social, psychological, sociological, and criminological affairs to work with this organization full-time and half-time, or to allocate an hour to this matter.

He added: As a useful source for criminological academic research, we can make the prisons available to the nation's universities, research and academic centers, and scientific training organizations. Using these research sources, our nation's educational and training programs, from level of elementary schools to higher education, will be based on a series of experiments and actual findings from society.

He discussed the effects of using computer services. He said: If we are able to make proper use of computer services, we will be able, through programming by technical experts, to print information on the future needs of researchers. All prisoners throughout the country will be required to fill out cards and forms when they enter the prisons. By creating computer units at the provincial centers, the latest information can be transferred to the organization's central computer on a daily or weekly basis, and this center can be an input source for centers that work on social and criminological matters.

He noted: We have taken the preliminary steps in this area, and God willing, if the appropriate officials and the computer services at the Plan and Budget Ministry cooperate, we will achieve striking successes.

Status of Prisons Organization Factories

ETTELA'AT: Please discuss the status of the Prisons Organization's factories and will these centers expand?

Chief of the Prisons Organization: We think the basis for reforming and training prisoners is to fill the prisoner's time with useful activities. In this way we prevent prisoners from wasting their time or using it frivolously. In this regard, we cannot simply fill the prisoner's time with classes and cultural matters. We must occupy their sound employment capabilities in production units.

For this purpose we have created various factories both inside and outside the prison. Last year we opened the huge Karaj and Mashhad units, and we expanded several units, and new factories will be opened in the future.

Hojjat ol-Eslam Majid Ansari stressed: The aim in opening factories is not economic, although it may also have economic benefits. Our aim is teaching sound trades to prisoners so that after release they will not be drawn to crime because of unemployment.

The chief of the Prisons Organization told our correspondent: In order to aid released prisoners, the Release Follow-up Office has been opened, although it has not yet taken shape completely enough for a released criminal to receive follow-up services. In this regard, persons who have learned a trade are referred to the nation's employment centers, or, if possible, they are given financial resources to begin a profession, although such cases are limited.

He added: Of course help from the nation's banks could be effective in this area. With investment capital loaned from the banks to the prisoner himself or to the Prisons Organization, we can create centers outside the prison for employing prisoners. We hope the bank officials will help us in this area.

Problems of Prisoner Families

ETTELA'AT: Where can the families of prisoners take their problems?

Hojjat ol-Eslam Ansari: If the problems are economic, they may refer the prisoner protection societies; if the problems are judicial, they may refer to the prosecutors or courts that issued the sentences. If there is a complaint about the treatment of prisoners, their conditions, or requests for visiting time, they may write to my office, or they may refer or write to the Prisons Organization Bureau of Investigation to have their problems studied.

ETTELA'AT: Do you intend to classify prisoners in groups according to the crimes they have committed?

Chief of Prisons Organization: This is one of the basic tasks of prison management; if a prison is to have a healthy atmosphere, the prisoners must naturally be classified in every way, and this has been done in most prisons. Due to the lack of classification resources, this has only been done to a relative extent in some prisons.

ETTELA'AT: When will we be able to convert the prison to a university so that the criminal in prison will be turned back to society in sound condition?

Hojjat ol-Eslam Ansari: The prison is a place to keep a series of people who are socially and mentally ill, and such people, who have been afflicted with moral, intellectual and social illnesses must be given treatment, in order to insure their future. This is how the prison will be converted to a university, and to reach this stage, which is the ideal, will require much time and resources. In this regard, a desirable point, or close to it, has been reached in some places.

Prisoner Reform

ETTELA'AT: What percentage of prisoners are reformed after release?

Chief of the Prisons Organization: There are no precise statistics on this, but with the methods formerly this percentage was quite low. With the establishment of management, however, and the implementation of the new cultural programs, which have been useful, the statistics on the reform of prisoners are going up at the same rate as the expansion of education and guidance.

With regard to narcotics offenders, however, due to the ineffectiveness of the judiciary and the executive officials in dealing with smugglers, after release these prisoners commit crimes again, are arrested and sent to prison.

ETTELA'AT: Have any new measures been taken in the fight against the merchants of death and the drug addicts?

Hojjat ol-Eslam Ansari: The issue of narcotics smuggling and the fight against the merchants of death is being studied in a commission, with participation from the relevant officials, and plans are being made to wage a relentless fight against the merchants of death in the future using a comprehensive and calculated program.

Several members of the commission presented projects to uproot narcotics, and if, God willing, these projects are approved and implemented, we will be able to solve this social disease.

Addict Rehabilitation Centers Opened

The Chief of the Prisons Organization announced: We have prepared several centers for rehabilitating addicts, which will go into use in the near future.

Likewise, those who have not stopped their addiction despite repeated warnings will be guided to the rehabilitation centers and difficult and special measures will be taken to keep them from turning to this crime again. We

hope that with the implementation of the new anti-smuggling campaign we will uproot this impotence-causing calamity in our Islamic society.

Monitoring Released Prisoners

ETTELA'AT: Have any measures been taken so that prisoners will be monitored periodically by relief workers after their release?

Hojjat ol-Eslam Ansari: In view of their special positions, commitments are taken by the prosecutor from some prisoners after their release that they will report periodically to their local Islamic revolutionary komiteh. This is done for mini-group prisoners, but we have not yet established a system for ordinary prisoners. God willing, the Release Follow-up office will make the necessary decision concerning ordinary prisoners in cooperation with the nation's intelligence, police, and military organizations.

Custody of Juvenile Delinquents, Women Prisoners' Children

ETTELA'AT: Please discuss custody arrangements for juvenile delinquents and the small children of women prisoners.

Chief of the Prisons Organization: We have opened reform and education centers in several of the nation's cities, and juvenile delinquents who are under legal and religiously lawful age and who have committed crimes are educated in these special centers.

He stressed: Such people are victims per se of separation from family and the influence of narcotics in the home, and they are runaways. We are naturally faced with difficulties. Even after the end of their sentence, the obstacles are not eliminated. For this reason we have opened a release follow-up office for juvenile delinquents in Tehran, so that after the sentences of juvenile delinquents without a shelter expire they can be transferred to this center.

These people will gradually be transferred to other environments with the help of charity institutions, or we will give them the resources to make a life for themselves.

The chief of the Prisons Organization called on all persons of good will throughout the country to aid this organization so that innocent youth who have been victimized by others may be cared for and made into worthy human beings.

Likewise, with regard to the children of the nation's imprisoned women, we have opened a child care center which is operated by women relief workers. However, we have not been able to open child care centers at some

prisons because of problems with the location, and as a result the children live in the prison with their mothers, and this situation is going to be damaging.

We hope that the ever-present nation will also help in this area so that child care centers will exist in all women's prisons.

ETTELA'AT: What measures have been taken concerning the war fronts and the war?

Hojjat ol-Eslam Ansari: Since the war is the top-priority problem, in its factories the Prisons Organization also produces military equipment and war front needs.

Likewise the personnel, families and prisoners have given cash and goods to the fronts. This organization's personnel have also voluntarily gone and are going to the fronts. In the same regard, a group of prisoners have announced their readiness to go to the fronts.

In conclusion Hojjat ol-Eslam Majid Ansari said: I assure the nation of partisans of God that the personnel of the Prisons Organization are working hard at a difficult and sensitive task, and that they are living under the most difficult conditions psychologically and in terms of working conditions. We are making progress towards maximum prison reform and reducing the number of criminals, and, God willing, we will achieve desirable results in the future.

With hopes that we will see a victory for the brave men of Islam at the fronts.

9310

Thousands of Telephone Numbers To Be Issued by Year's End

46400080a Tehran ETTELA'AT in Persian
2 Jan 88 p 2

[Text] Semnan—ETTELA'AT field correspondent—At noon ceremonies yesterday attended by Engineer Seyyed Mohammad Gharazi, minister of post, telegraph and telephone, the 1,000-number automatic telephone system of the city of Sorkheh in the Province of Semnan was inaugurated and put into service.

Our correspondent reports that this center was put into service through the efforts of engineers and specialists from the Communications Company, and can be expanded to 5,000 numbers.

The 1,000-number Sorkheh automatic telephone center occupies a 4,500-square-meter lot and has about 700 square meters of foundation area. It has 16 ingoing and outgoing channels, and this can be increased to 60 channels. Our correspondent adds: This project cost 100 million tomans.

The report states: With the opening of this center, henceforth our dear compatriots throughout the country will be able to contact Sorkheh by telephone using the inter-city code 2228.

According to the same report, the opening ceremonies for this center were attended by the deputy governor-general of Semnan for political affairs, Hojjat ol-Eslam Akhtari, the imam's representative and Friday imam of Semnan, the Friday imam of Sorkheh, Hojjat ol-Eslam Akrami, Semnan's Majlis representative, the parliamentary deputy of the Ministry of Post, Telegraph and Telephone, the general manager of province communications and postage, clergymen, the great families of the martyrs, and various classes of people from Sorkheh. All the installations of the automatic telephone system were turned on and utilization of the automatic telephone system began.

Minister of Post, Telegraph and Telephone Interviewed

In order to meet the needs of the Communications Company and to make the country self-sufficient, a cable and optical fibre factory will be built in Yazd.

The above was announced by Engineer Gharazi, minister of post, telegraph and telephone, in a press conference given during a trip to the city of Sorkheh in Semnan. He said: This factory's production line for optical fiber will go into operation next year, and, God willing, the cable production line will be put into service in 1369 [21 March 1990 - 20 March 1991]. Noting that 10 percent of the cable needed by the Communications Company is produced within the country, he expressed the hope that with the utilization of this factory the country will reach self-sufficiency in this area.

Mr Gharazi noted that in the current year 150,000 telephone numbers have been issued to the people. He added: This figure will reach 300,000 telephone numbers by the end of the current year.

He said: Likewise, in the current year more than 1,000 of the nation's villages will have communications installations. Continuing his remarks, Engineer Gharazi discussed the

expansion of the nation's telephone lines. He said: In the year 1370 [21 March 1991 - 20 March 1992] we hope to increase the nation's telephones from two million to four million numbers. Concerning the expansion of the microwave and telex lines, he said: Even now all microwave production and assembly are done within the country. Microwave lines are growing four times faster than prior to the revolution, with an increase of almost 60,000 channels. With regard to telex lines, according to plan these lines will expand to 15,000 numbers from 5,000 by the end of next year [20 March 1989].

Mr Gharazi stressed the striking progress of the nation's communications industries in design, installation, microwave and other areas. He said: With production of more than 80 percent of the switches we need within the country, in this area we have achieved self-sufficiency, and there are extensive efforts underway to achieve self-sufficiency in other areas.

In conclusion, the minister of post, telegraph and telephone discussed the use of an independent communications satellite. He said: A satellite has been designed for an independent launch, and, God willing, by the year 1370 [21 March 1991 - 20 March 1992] the Islamic republic will have an independent satellite.

According to our correspondent's report, before the opening of the Sorkheh telephone center and before the Friday prayer sermons, Engineer Gharazi gave a speech on the military presence of the superpowers in the Persian Gulf.

During this speech he likewise announced that since the triumph of the Islamic revolution more than 1.1 million telephone numbers have been issued throughout the country, while throughout the term of the despised former regime only 850,000 telephone numbers were issued throughout the country.

Gharazi added: God willing, in the near future we will provide telephone service to the country's most remote villages.

END OF

FICHE

DATE FILMED

17 March 1988